The Borden Company's Investment in Canada—Pages 21-28

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The Nation's Business

Britishers Fail to Recognize What Canada Has Done

Conference Proves Disappointment to Canadians

DISAPPOINTING NEWS FROM LONDON

CABLES coming from London are disheartening to Canadian business men who have for years urged the economic integration of the British Empire in the face of indifference on the part of British business men. They must be equally disheartening to our statesmen who have supported for over a generation a policy of Imperial preference hoping some day to have some British Government wake up to the importance of what we have in this country given so freely.

Only now is Great Britain aroused to general support, either among business men or politicians, of any plan of Imperial preferences, involving a protective policy in the Mother Country. But even among business leaders in Britain there is a cold, hard attitude of assuming that Britain and the Dominion alike are starting from scratch in their negotiations and that all further concessions, made on either side, must be made in return for new concessions of equal value; in other words, that Canada's present preferences must be considered as something for which Canada is already receiving a return and are not to be considered as any inducement for Britain to work out a preferential plan. Mr. Bennett proposes a further ten per cent preference. British politicians and industrialists say that this is not enough. The present impasse reveals the nature of the mistake Canada made when it granted Imperial preference as a magnanimous gesture and not as part of a negotiated plan.

Mr. Bennett, who spoke bluntly at the conference, and who spoke equally plainly in telling British industrialists that they have missed their sales opportunities in Canada, seems to have failed utterly to bring out the fact that Canada is entitled to preferential consideration not only for what we may do in the future but for what we are doing now.

* * *

SELDOM has an Imperial Conference been flooded with such a wealth of practical investigations, reports and suggestions. Not only has a great deal of preparatory work been done by government officials in Great Britain and the Dominions but many exhaustive studies have been made by associations of business men and in some cases these have resulted in definite suggestions for Empire policy. There is a considerable degree of uniformity in these. Most of them are definitely opposed to bulk purchasing of Empire products as a possible "quid pro quo" to be given by Britain in exchange for preferential tariffs. Most of them, also, are uncertain about, if not definitely opposed to the quota system. Preferential tariffs are the key to Empire prosperity, most of these reports declare.

* * *

THE newly-organized National Congress of Commerce and Industry is unequivocal for a system of preference. The Empire Economic Union, headed by Lord Melchett also gives comprehensive reasons for preferring the system of tariff preferences, although it admits that in a strictly limited number of cases (wheat and sugar are instanced) a quota system might work. Moreover, the Empire Economic Union prefers a system of preferential agreements between individual countries in the Empire to one overriding preferential arrangement.

The British Empire Producers' Association, headed by Sir Benjamin Morgan, also comes out four-square for tariff preferences, as "the most practicable and generally applicable method." This organization sees the necessity for the United Kingdom entering into trade agreements with the different Dominions.

* * *

THE Imperial Economic Committee could hardly be expected to take a stand on the question of preferences but it has reported rather fully on the proposal for an Empire Intelligence Service, which would aim to collect and collate trade and economic information from all parts of the Empire, put it in such shape as to be of value to practical men and to make it available with speed and despatch.

The London Times concluded on the eve of the conference, a series of articles in which all the proposed plans of extending Imperial trade connection were thoroughly discussed. The articles did not have the merit of definiteness in their suggestions, contenting themselves with showing the urgency of the need. One phrase in the concluding paragraphs was, however, significant. It said "All that is needed is the abandonment, in a very limited region, of their respective fiscal prejudices both by Great Britain and the Dominions." And the writer of the articles declared that the MacDonald government could hardly afford to neglect the needs of the moment through "scrupulous insistence on the niceties of fiscal dogma."

* * *

REPORTS from London indicate that Mr. Bennett is playing a lone hand in the Canadian delegation. There are evidences that some of those who accompanied him, but were not in the official Canadian delegation, had not been brought by him into a general discussion. For example, Premier Ferguson of Ontario gave a newspaper interview supporting the Beaverbrook Free Trade plan of Free Trade within the Empire while Premier Bennett in his key

(Continued on page 2, col. 3)

BANK STOCKS HOLDING WELL IN BAD MART

Absence of Marginal Trading Brings Real Stability

OUTLOOK IS BRIGHT

Canadian Institutions as Sound as Any But Available on Terms Better Than in U.S.

One class of security that has withstood the deluge of selling witnessed during the past three weeks, has been the Canadian bank stocks. Moreover, the average bank stock is now selling only 25.7 per cent below the peak levels of 1928 compared with an average fall of approximately 65 per cent in industrial stocks.

This class of security has never in the past brought heart throbs to the average speculator such as was experienced in many of the industrial stocks during the heyday of the bull market. The long-term trend of bank stocks, however, has been consistently upward and have shown steady appreciation in value, meanwhile offering an attractive yield. From the low of 1924 to the high of 1928 the average bank stock appreciated 83.4 per cent in value while at the present time 36.2 per cent of this gain has been retained.

Are Permanent Investments

Many reasons might be given to explain this characteristic stability of Canadian bank stocks as compared with the average industrial. Probably the chief reason is that this unique class of security has been bought by the affluent has been put away in strong boxes, and ownership has often descended from father to children. That is, the shares are lodged in the hands of the true investor, not interested in intermediate fluctuations rather than that of the speculator who buys in anticipation of shortswing trading profits.

As banks are prohibited from making loans against either their own shares or the shares of another bank the purchase on margin is not feas-

(Continued on page 2, col. 4)

Food Stocks Grow in Favor Of Executives

Probably Canada's great business executives have similar reactions to those in the United States with reference to their conclusions as to the most favorable groups of stocks to buy. Forbes' quarterly questionnaire shows a spectacular gain in popularity of the food stocks among the principal executives of the United States. This trend has been increasingly evident ever since the business depression began but the move in the last quarter is most notable. From tenth place in favor it had moved by last July to fourth place and now comes up into third place, being only exceeded by the public utilities and the steels. Oils take fourth place and electrical equipment stocks, which three months ago were in third place, are now in fifth.

In getting from third into fourth place the votes doubled for food stocks. In Canada this interest is shown in the steadiness, for example, of market quotations of Canadian Canners, in the increasing turn to dairy company stocks and in the perceptible advance in recent months of interest in food chain stocks again. Bakery companies are not in such favor as yet until it becomes evident how competition and the dropping values of raw materials affect profits. Restaurant company stocks have also not brought in buyers though an improving position is expected over some years.

Nova Scotia Bank Is Soon to Build

It is understood that plans for the new skyscraper head office of the Bank of Nova Scotia in Toronto are moving ahead rapidly. The new structure will be built where the Canada Life is now located, taking in some adjoining lots as well at the corner of Bay and King Streets. Canada Life expects to move to its new University Avenue offices in April and the present Canada Life buildings will be immediately wrecked to make way for the bank's programme, which, it is understood, will not be delayed. The new building will probably be about 26 stories high, will have the largest floor space of any office building in Canada, and will probably cost $10,000,000. These figures are not official.

AVIATION LAW IS CHALLENGED BY HIGH BODY

Supreme Court Decision Upsets Dominion's Position

From Our Own Correspondent

OTTAWA.—The judgment of the Supreme Court in the aviation reference casts the shadow of constitutional uncertainty upon another and a rapidly growing Canadian industry.

The aviation industry seems fated to grow up in the midst of inter-government wrangling and constitutional litigation, just as the insurance business has done.

The Supreme Court of Canada, on September 7, gave judgment answering a series of questions addressed to it by the Dominion government. The questions were more or less complicated and technical, and the answers, for the most part, were categorical. Since neither questions or answers disclosed the past history of government control over aviation the implications of the judgment were generally overlooked and it may be doubted if the public—excepting a few provincial governments and the Civil Aviation department at Ottawa—appreciate what has happened.

The background of the legal dispute is as follows:

Following the war, when aviation became a business of importance to Canada—in opening up new territory, forest patrols, prospecting, passenger services, etc.—the Federal government, apparently without consulting the provinces, undertook its regulation and control. Parliament enacted the Aeronautics Act, under which regulations were framed and issued and the structure of the present industry firmly and surely laid. These regulations called for licensing of pilots, airplanes, airdromes, air engineers, inspectors, etc. A system of daily inspection of every machine carrying passengers was built up. Every pilot had to submit to thorough medical examination at least once in six months.

Had to Pass Tests

To obtain licenses all these individuals had to pass severe practical tests and difficult oral and written examinations and the extraordinary absence of serious accidents which has marked the growth of aviation in Canada, is due in great measure to these regulations—since incompetence on the part of pilot, inspector, air-engineer, etc., meant cancellation of Federal license and permanent loss of vocation in Canada. Every air accident was investigated thoroughly by Federal officials; every complaint of dangerous flying—the regulations are very strict in this regard—was followed up.

Then there were international complications. Customs ports do not touch the airplane and the Dominion government undertook to control fly-

(Continued on page 2, col. 4)

International Petroleum Earns Above Dividend

"Business and outlook of International Petroleum are quite as satisfactory as when the stock was selling at $25 a share," said G. Harrison Smith, president, in reference to the drop in market valuations of the shares. "The dividend policy of the company has always been conservative and so far as can be seen at present there is no reason for reducing the rate."

The present rate is $1 a share, and the announcement is encouraging. Shipments from Peru and Columbia to August 31 exceeded those of the first eight months of 1929 and there is every reason to expect the shipments for the whole year to exceed the total for 1929. Heavier shipments to Canada are a feature of recent business.

Brewing Corporation Takes Over Carlings

Brewing Corporation of Canada exercised its option on October 14 to take up the controlling interest in the shares of Carling Breweries, Ltd., of London. By this deal it secures the largest brewery in Ontario and rounds out the series of mergers by which it has been aiming to secure complete coverage of the province as well as some breweries in Manitoba and unification of operations from which it is hoped to derive many economies. As a result of the completion of the transaction Charles Burns, Harry Low and Marco Leon resigned as officers and directors of the company. In their place were elected the following: E. P. Taylor, president, general manager of Brewing Corp. of Canada, C. S. Jennings, chairman of the board of Brewing Corp. of Canada, and K. S. Barnes.

By this transaction Brewing Corp. of Canada now has the following subsidiaries: Brading Breweries (Ottawa); British American Brewing Co. (Windsor) Carling Breweries (London and Montreal); Dominion Brewery Co. (Toronto); Empire Brewing Co. (Brandon); Grant's Springs Brewery Co., (Hamilton); Kiewel Brewing Co. (St. Boniface, Man.); The Kuntz Brewery (Waterloo); Kuntz Beverages (Toronto) formerly Associated Beverages; Regal Brewing Co. (Hamilton) formerly the Hamilton Brewing Association; Taylor & Bate (Ottawa). Carling Breweries has a bottling plant at Montreal.

An offer to minority shareholders of Carling Breweries will go forward within a couple of weeks.

WOULD IGNORE CONCESSIONS CANADA MAKES

Think Bennett's Offer is Not Enough to Warrant Action

CONFERENCE DRAGS

Proposal for Uniform Empire Statistics Balked by Whitehall Indifference—Russian Wheat Still Menaces

Special Cable
By H. NAPIER MOORE,
Editor MacLean's Magazine,
Correspondent of The Financial Post at the Imperial Conference

LONDON.—The key problem of the Imperial Conference has changed with surprising swiftness. There is no longer any doubt as to whether or not informed public opinion, and particularly business opinion in Britain, is behind system of Imperial preferences on some basis. That much is assured and there is a very good reason for believing that if the MacDonald Government does not accept the challenge of the Dominions delegates, and establish a system of preferences, that the Conservative party can sweep the country on such a programme.

But the new problem that has arisen is of more serious import to the Dominions and particularly to Canada. It is simply this: those who agree that preferential trade treaties between the countries in the Empire should be negotiated seem to feel that all existing preferences should be considered as something apart from the negotiations and that future preferential arrangements should be additional to them.

It will be apparent that this is most unfair to Canada. British industrialists and politicians, even the Conservatives, wish to ignore Canada's present contributions entirely. Any concessions made by Britain must be in return for further concessions by Canada and the extent of the British concessions must be determined they think, by the extent of Canada's further concessions.

British newspapers, politicians and commercial associations are ignoring entirely what Canada has already done and in this they have been encouraged by the Canadian delegation who have failed to emphasize strongly Canada's magnaminity in the past and at present.

The statement of the Manchester Chamber of Commerce that "The Canadian proposals seem to us to call for sacrifices by Great Britain out of all proportion to the contributions proposed by Canada," is typical. Nowhere is there any recognition of the preferences Canada has had in force for many years.

Special Cable
By JOHN A. STEVENSON,
Canadian Correspondent, The Times, London

LONDON.—The Imperial Conference at present is in a state of suspended animation. The prospect of any profitable outcome is still uncertain. Bennett's blunt demand last Wednesday for the immediate acceptance of the principle of Imperial preference and his concrete proposal as a basis for a system of reciprocal preferences was the first vitalizing move of the conference and was warmly applauded by the Imperialist elements, although naturally subjected to strong criticism by free trade papers such as the Manchester Guardian and the Economist.

Mr. Bennett's proposals placed the MacDonald ministry in a grave quandary as it is an open secret that they are sharply divided on fiscal issue with Mr. Snowden, chancellor of the exchequer and Mr. Graham, president of the board of trade adamant against preferential tariffs although Mr. Thomas favors them.

Labor For Protectionists

The government has been further embarrassed during the past week by the vote at the Labor party conference, which revealed that almost half of the party was willing to support the malcontent labor leader, Sir Oswald Mosley, in his advocacy of protectionism as a necessary concomitant of any successful Socialist programme for Britain. And now a referendum taken by the Federation

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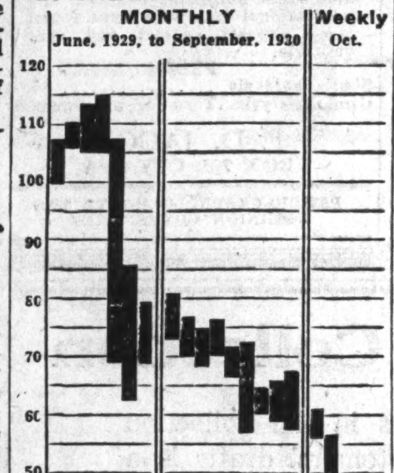
Stock Market



MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Oct. 14	57.1	48.5
Week of Oct. 7	61.0	55.8
Month of Oct., 1929	108.9	65.0
8 Bank Stocks		
Week of Oct. 14	256	251
Week of Oct. 7	258	255
Month of Oct., 1929	295	276
10 Public Utilities		
Week of Oct. 14	87	81
Week of Oct. 7	91	86
Month of Oct., 1929	123	96

F. N. Burt Dividend Is Believed Assured

Drop in the market value of F. N. Burt Co. common stock, which is currently selling around 40, compared with a year's high of 56, is due entirely to a stock market situation and is not a reflection of conditions in the company, according to information which has come to The Financial Post from a reliable source.

The $3 dividend probably will be earned, it is stated, and, in any event, continuance of the present regular payment is believed to be assured. There is a probability, moreover, that the extra of 50 cents paid last year will be repeated.

Last year, the company reported earnings of $4.66 on the common shares of $25 par value, after the usual liberal writeoffs. Some reductions in earnings are forecast for the current year.

DIST.-SEAGRAM HOLDS PROFITS AT GOOD LEVEL

Earnings Will Compare Favorably With Those of Last Year

From Our Own Correspondent

MONTREAL.—Despite variations in the fortunes of the liquor industry during the past year Distillers Corp.-Seagrams, Ltd., has maintained its position and earnings, when published at the annual meeting to be held on October 30, will compare favorably with those of last year.

In some quarters it is reported that profits for the year ended July 31 will be higher than those of the previous twelve month period. The management, however, is non-committal as regards definite figures and has published no earnings statements during the year.

Sales in the last year ended July 31 showed some improvement. When clearances of liquor to the United States were barred, the company was able to switch its exports to the Atlantic region since it is said that a good position had already been established in that trade.

There is always the factor of lower profits on sales in the Atlantic region. Whereas profits on border business were high, this has been cut to about one-third in shipments made via French, British and independent countries. To what extent this will reflect in Distillers-Seagram's earnings remains to be seen.

Report Dividend Earned

Indications are, though, that the financial statement for the last fiscal year will show the dividend earned. The present rate is $1 a share; earnings for the 12 months ended July 31, 1929, were equal to $1.52 a share on the capital stock.

This figure included deduction of $160,051 for interest on loans and advances, and organization expense of $25,358 as well as provision for depreciation and income tax. What steps will be taken to retire loans which were outstanding to the extent of $1,953,111 at the end of the last fiscal year, will doubtless be announced at the forthcoming annual meeting.

It was originally intended to liquidate these loans by the issuance of stock but market conditions militated against the successful undertaking of such a proposal. Shareholders were to be offered rights to purchase new stock at $12 a share; the market for Distillers-Seagram stock has seldom sold above this figure during the current year.

Adds Other Brands

The company recently added another brand of whisky to its distribution, an indication of the continual expansion it is carrying out. Distillers- Seagram occupies a sound position as regards domestic sales. Its affiliation with Distillers Co., Ltd., of Great Britain has enabled it to market various well known brands in Canada, and by bottling them in its Montreal plant, to effect substantial savings in costs.

Reference to Distillers-Seagram was made at the annual meeting of the parent company held recently in Great Britain. William H. Ross, who is president of the Canadian company and chairman of Distillers Co., Ltd., said, "In the case of Canada the position is quite satisfactory. Last year I reported that our company there was approaching the dividend stage and, as a matter of fact, regular dividends are now being paid each quarter by the two operating companies which in due course will filter through to the parent company."

Add to Plants

The two operating companies are, of course, Distillers Corp. and Seagram & Sons. Substantial additions have been made to the plants of both these companies since they were merged in 1928 under control of the British concern. The Seagram plant at Waterloo now has a distilling capacity of 1,000,000 gallons of whisky a year and confines its output to the manufacture of rye whisky.

The plant of Distillers Corp. at Ville Lasalle near Montreal has a productive capacity of nearly 4,000,000 gallons yearly and makes various brands of gin and whisky.

Offers $500,000 Bond Issue

MONTREAL.—F. Jackman & Co. is offering a $500,000 bond issue of the Fabrique of the Parish of the Ascension of Our Lord, (Westmount, P.Q.). The issue comprises first mortgage 5½ per cent serial bonds, and are dated July 2, 1930, to mature in series of July 2 in the years 1933 to 1945.

C. S. L. PLANS HOTEL ACTIVITY ON WIDE SCALE

Comprehensive Program for Winter Devised at Manoir

CAPITAL COSTS CUT

Company Nears End of Dreary Season for Shipping on Great Lakes

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines is concentrating on a comprehensive programme covering winter activities at the Manoir Richelieu at Murray Bay. The coming season will be the second winter the hotel has been in operation and it is understood that bookings are already encouraging.

Earnings of this unit during the summer were satisfactory in view of general business conditions and further revenue is expected to accrue from the winter season. Various capital expenditures which were necessary last year will be eliminated this winter and the benefits accruing from them should be more apparent.

These expenditures included such work as construction of a bob-sleigh run, ski jump and other concomitants of winter sports; the company is taking aggressive measures to make the most of the increasing interest which Canadians are evincing in such activities.

Many Canadian Patrons

It is pointed out that while patronage of the hotel in the summer months largely comprises American tourists, in the winter a greater number of guests are registered from Canadian points. The gain is attributed to the growing popularity of skiing in the country; different ski-clubs throughout Canada have reported wide increases in membership in the past few years.

Though the outlook for this particular unit is encouraging the situation surrounding shipping activities, Canada Steamships' main source of revenue, can only be regarded as gloomy. There was a spasmodic improvement in lake traffic in August and it was reported that 79 boats were in operation, but the operation of the grain fleet as a whole has been unsatisfactory.

Already the season of navigation

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Borden Earnings Avoid Depression

The Borden Company may be expected to show moderately larger returns in the next annual report than the $5.34 per share earned in 1929, according to Standard Statistics Co. Borden is one of the few large corporations to enjoy better business during 1930 than in 1929. Within the past few months the company has acquired nearly a dozen concerns in Canada and the United States, while the operations of the company extend over several continents.

It is stated that heavy inventories of butter, frozen cream, cheese, eggs, etc., carried over in part from last year, are being sold at advanced prices as a result of recent drought. Operations in this division of the food industry are but slightly affected by the general business depression.

Laura Secord Candy Profit is Maintained

Laura Secord Candy Shops Ltd. will show a profit for the fiscal year ended September 30, 1930, at about the same level as in 1929 when net profit after all charges except $40,000 as reserve for equalization of costs amounted to $379,765, it is officially reported. In 1929, the company earned at the rate of $7.22 per share on the 41,003 shares of common stock outstanding after paying dividends on preference shares of which there were 5,499 shares outstanding at the end of that fiscal year.

The company called the balance of its preferred stock outstanding early in 1930 at 110 but since the preferred shares were convertible into 3 no par common shares each the entire amount, with the exception of 12 shares, was converted and there are now 57,514 common shares outstanding.

Sales during the recent fiscal year at $2,167,789 declined 5.76 per cent from the total of $2,300,211 reported for the previous fiscal year, but this decrease is reported to have been offset by substantial economy in administration costs with the result that profit has been maintained at the previous level. Lower material costs have not applied to all ingredients used in the company's product and are stated not to have been of particular benefit.

Winnipeg Stock Exchange to Expand its Facilities

New Building Planned, Trading Hours Lengthened; Other Listings to Be Recognized

From Our Own Correspondent

WINNIPEG—With a view to developing the Winnipeg Stock Exchange into an institution of greater importance, its directors and members have decided to establish its quarters in a building of its own, to be erected on Main Street, next door to the Wheat Pool building, at a cost of $25,000. The building is for the exclusive use of the exchange and is not to be developed into a general office building. Its dimensions are to be 50 by 50 feet, and it is to contain a trading room with an area of 18,000 square feet.

At the same time it is the intention to develop trading by lengthening hours, and by allowing the buying or selling of any stock or bond listed on other Canadian exchanges or exchanges in the United States. Under the new arrangements it is intended to have all trades taking place between members pass through the machinery and records of the exchange, instead of only the limited number of transactions which are now recorded as they take place during the limited morning hours of business.

First Class Stocks Sell on Yield Basis Of Adequate Income

Some Issues Drop Badly, Though Dividends Seem Assured

NEW BUYERS APPEAR

Opportunities Are Seen to Acquire Partnership in Enterprises Vital to Progress of Nation

Rising prices on United States and Canadian stock exchanges on October 14 and 15 probably do not point to a sustained recovery from the panic selling induced by two New York Stock Exchange failures, by the fear of drastic political changes in Germany, by the Civil war in Brazil, by recurring fits of pessimism as wheat prices moved up and down near the lower levels of the twentieth century and by the uncertainty caused in business circles by Russia's well-advertised emergence into the markets of the world as a low-cost competitor. More investors and speculators than ever are taking advantage of such periods on recent recessions with the feeling that none can tell when the exact bottom of the stock market is found and that in the meantime it is a good thing to buy something on each recession in market values.

Canadian Have Faith

Though Canadian stock markets bowed to the influence exerted by the New York Stock Exchange, the record of the stock market even at recent low valuations indicates that Canadians still have a firm faith in the future of such stocks as Canadian Pacific Railway Co. common and the common stocks of such companies as Montreal Light, Heat & Power Co., Shawinigan Water & Power Co. and Steel Co. of Canada and Imperial Oil. These show yields at present dividend rates in many cases on a par with or below Dominion Government bonds. The confidence of holders is therefore strong that the companies in question will in the future continue their past performance. Valuations are not as high in any of these cases as they have been in 1930, and it is interesting to note that in the records of the last ten years it has been impossible to get Imperial Oil at as favorable a price as now even though the yield shown on October 14 was only 2.96 per cent. The earnings in 1929 were twice the dividend and it would seem that the company's prospects for further improvement on the average over a term of years are as bright as ever, whatever the immediate business situation may seem to be.

To most Canadians it would seem ridiculous to suppose that Canadian Pacific will not be able to make up for any fall in profits this year by better business in years to come. Payment of dividends for forty years seems a good earnest that it will be able to do so in years to come as it was never in a stronger financial situation and its properties never in better shape.

The two public utility companies mentioned, Montreal Power and Shawinigan have always drawn in Canada a body of investors who have found it profitable to buy and hold on to their stock. Their tenacious grip has not even been loosened in times like these and is not apt to be.

It is a greater tribute to Steel of Canada as an industrial company, that it should sell at a yield of 4.63 per cent even in a time of general loss of faith in stocks such as last week. But in 1929 the company earned nearly four times the dividends now being paid. The company is as worthy of confidence as any company in Canada in view of the sound policies followed in the past of keeping

(Continued on page 5)

Think Newsprint Pool May Keep Mr. Price

Resignation of John H. Price, of Price Bros. & Co., as president of the Canadian Newsprint Institute has not been accepted. A meeting was called by Mr. Price as president for the purpose of dealing with the resignation, but this meeting has been indefinitely postponed.

This situation is interpreted in well-informed circles as meaning that Mr. Price's contemporaries in the Newsprint Institute have been unofficially negotiating with him with a view to continuing the functions of the institute, which involved a standardized sales and production policy. Meanwhile, the institute is functioning as before.

TRADE SUPPORT SERIOUS LACK AT WINNIPEG

Break in Stock Markets Finds Grain Vulnerable

From Our Own Correspondent

WINNIPEG.—Stock market weakness appears to have been the chief factor in the depression in the wheat market which during the past week drove prices down to the lowest levels yet experienced, under 68 cents for October wheat. One of the great weaknesses of the market for months has been the absence of any considerable volume of trading support. Traders have to a large extent been driven out of the market by a combination of causes and uncertainties and the ideal of those who would like to abolish speculative trading in commodities has thereby been brought nearer, but the consequent depression of prices has served to indicate the importance of the trader who is willing to buy when prices seem too low.

Markets in the United States have been especially weakened as traders have been alarmed by attacks of the United States government both through the department of agriculture and through the federal farm board upon marketing machinery, until, not knowing what might happen next, they have preferred to stand aloof. When the latest break came in the stock market there was a very attenuated body of support in the grain market to stand the blow.

Canada Still Exports

Canadian wheat continues to be shipped out in good volume, and to be the main source of supply for the world trade, with Russia coming second. United States shipments are in very small volume, as higher prices there compared to Canadian prices tend to keep that country's wheat out of the export market. Argentine and Australian shipments are less than a million bushels a week each. World shipments, which for some time had been running at the rate of 16,000,000 bushels or more a week, dropped last week to 14,500,000, of which about half was North American. Russian shipments to date this year exceed 28,000,000 bushels.

Grain Deliveries Small

A remarkable feature of the west-

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NATION'S BUSINESS

(Continued from page 1)

note address definitely opposed it. Mr. Bennett has few practical advisers with him. Although he did invite government experts and a few outside authorities, chiefly in regard to grain, he did not take along practical business men or even those who could speak authentically the viewpoint of business men—representative business paper editors. Had Mr. Bennett invited editors of a few leading business papers to go to London with him he would have had well informed advisers of practical experience. Business paper editors represent manufacturers, wholesalers and retailers, understand the problems of all and have no personal axe to grind.

TRADE SUPPORT SERIOUS LACK AT WINNIPEG

(Continued from page 1)

ern situation is the comparative smallness of grain deliveries, although there are probably nearly 100,000,000 bushels more wheat to be delivered this year than last, deliveries to date are only slightly above those of last year. However, the railways have moved out from country elevators 30,000,000 bushels more than last year, while correspondingly heavier shipments of grain from Vancouver and from the head of the lakes have kept the channels of trade open. While delayed threshing in Northern Alberta and Northern Saskatchewan is undoubtedly a factor of importance there has been a good deal of withholding of shipments on the part of farmers, undoubtedly a useful thing in the present state of markets.

C. S. L. PLANS HOTEL ACTIVITY ON WIDE SCALE

(Continued from page 1)

is drawing to a close and there remains scarcely a month more for active operation of Canada Steamship boats. While the last year was poor there seems little doubt that this year was as bad, if not worse, as far as this end of the business is concerned.

Davie Co. Busy

Operations of the Davie Shipbuilding and Repairing Co., a wholly owned subsidiary have been a brighter spot in the current year's work. This company recently completed delivery of a diesel-electric tug to the Canadian Pacific and New York Central Railways for use between Prescott and Ogdensburg.

Another substantial order on this company's books includes a $2,000,000 contract for large car ferry to be operated by the Canadian National Railways. Good progress is being made with construction of this vessel which will operate between New Brunswick and Prince Edward Island.

WOULD IGNORE CONCESSIONS CANADA MAKES

(Continued from page 1)

of British Industries shows that about ninety-five per cent of the members voting favor a change in the present tariff system. Obviously the old free trade faith is losing adherents every day and the country now is ready for the experiment of protection.

But industrial safeguarding is one thing and Imperial preference, with food taxes, is another and even among Conservatives, cooler consideration of Mr. Bennett's proposals has lessened the enthusiasm for them. The soberer minds of the party feel that if the Conservatives had been able to show the prospect of greater compensating advantages for British manufacturers than Mr. Bennett has offered they could have successfully shouldered the electioneering burden of food taxes, but unless he can raise his offer they are afraid that the acceptance of food taxes would imperil their chances of victory.

Export Trade in Decline

By the time the election is fought, British exports to Canada and Australia will probably have fallen sharply as a result of recent tariff changes and the Laborites and Liberals, who would probably come to some working agreement on such an issue, would argue that it was not worth while dislocating British trade arrangements for the sake of such selfishly protectionist countries as the Dominions. So not a few Conservatives feel that Mr. Baldwin was rash in jumping to endorse Mr. Bennett's plan, although Barons Beaverbrook and Rothermere still continue their anti-Baldwin crusade, declaring he is not to be trusted on preference questions.

However, the MacDonald ministry has not rejected Mr. Bennett's proposals, but have formally accepted the principle of preference and have submitted the Bennett plan to examination by their economic experts.

Examine Alternate Plans

The Dominion delegates, for their part have agreed to examine the merits of alternative plans like bulk purchase through import boards and quotas with standardization of prices as suggested by the British Government as a means of stimulating inter-Imperial trade. A special committee, on which Mr. Stevens is the Canadian representative, which this week examined the possibility of the quota system reached the conclusion that it was feasible. The other plans will receive attention, but the quota system, which had been endorsed both by the Laborites and the Conservatives is most likely of acceptance. It is also accumulating support from the revelations about the dumping of Russian wheat into Britain. Of imports of Russian wheat last month amounted to 2,250,000 hundredweights. It is being offered at nearly three shillings per quarter below the Canadian price and the Co-operative Wholesale Society, which is affiliated with Labor, is charged with encouraging it. This development almost compels the MacDonald ministry to do something, as it cannot afford to give color to the accusation that it is favoring Russia at the expense of the commonwealth.

Some Other Progress

In minor directions substantial progress is being made. The committee, which has been examining the problem of common manufacturing standards for the commonwealth, has been functioning harmoniously. There has been less unanimity in the committee which is investigating the problem of a common Imperial statistical system. The Dominion's representatives are pressing for holding next year or the following year a Commonwealth statistical conference, which would start with certain principles making for general co-ordination, but officials in Whitehall, who are lukewarm about taking steps to create for Britain the same correlated statistical structure which exists in practically all Dominions, are fighting shy of this proposal and suggesting further investigation that the Dominions think is unnecessary.

AVIATION LAW IS CHALLENGED BY HIGH BODY

(Continued from page 1)

ing to and fro across the international boundary. The international flying treaty, ratified to date by 24 world powers, was signed by Canada and ensured fairly uniform flying conditions throughout the civilized world. Further, a separate agreement was entered into with the United States guaranteeing the maximum safety and liberty of operation to air services between the two countries.

Quebec Protests Loudly

As enforcement of these regulations became more strict protests began to arise from some provinces, chiefly from Quebec. Premier Taschereau argued that the province under section 92 of the B. N. A. Act—property and civil rights—had well defined constitutional powers which were being invaded. He challenged the right of Ottawa to license pilots engaged in flying within provincial boundaries.

As the importance of the industry grew the attitude of Quebec became increasingly querulous until finally, last year, the Dominion government submitted a series of questions to the Supreme Court. In brief, the court was asked to decide if the Dominion had power to enforce the regulations and carry out the provisions of international conventions. The regulatory machinery carefully built up over a decade was at stake. In all, four questions were asked and the Supreme Court only has answered two of them. The others will be dealt with by the judges when they hand down their written judgments a few weeks hence.

No on Both Counts

The first question was: "Have the parliament and government of Canada exclusive legislative and executive authority for performing the obligations of Canada or of any province thereof, under the convention entitled, 'Convention relating to the Regulation of Aerial Navigation?'"

The court is unanimous, that, "as framed, question number one must be answered in the negative." Had the word "paramount" been used instead of "exclusive" it is understood a majority of the court would have answered, "Yes."

The second question was: "Is legislation of the parliament of Canada providing for the regulation and control of aeronautics generally within Canada, including flying operations carried on entirely within the limits of a province, necessary or proper for performing the obligations of Canada, or of any province thereof, under the convention aforementioned, within the meaning of section 132 of the British North America Act, 1876?"

The answer is: "No."

The other questions, not answered as yet, relate to the Dominion power to license pilots, machines, airdromes, etc.

Provincial Rights Invaded

It is quite obvious from the answers to these questions that the provinces have constitutional rights in regard to aviation which have been invaded by the Dominion. The present case was merely a reference. There was nothing specific at issue; the judges gave their opinion on a general point of constitutional law. Where one authority ends and the other begins probably, as in the field of insurance, will take innumerable actual cases and may never be satisfactorily decided except by amendment of the constitution.

The answers given by the court, however, demonstrate clearly that the present regulations are unsound, that the system under which aviation has grown up must, in important particulars, be torn down.

Informal discussion by constitutional authorities indicates the probable outcome of the litigations now beginning. The provinces are likely to make good their claim to complete control of land and property and, therefore, of airdromes and of any airplane which is resting on the ground. The Dominion is thought certain to be awarded sovereignty of the air and therefore of all planes once they are in the air. In addition the Dominion may make good its control of inter-provincial flying. But any uniform set of regulations applying to all airplanes and all pilots seems impossible of realization under the present constitution.

The prospect is that when the court delivers written judgment, the Dominion will carry the case to the Privy Council, but there is little hope here that the general trend of judicial opinion as expressed by the Supreme Court will be altered.

Following final appeal the chances are that a Dominion-Provincial conference will be held in an effort to obtain a constitutional amendment vesting complete control of aviation in one or other government—Dominion or provincial.

BANK STOCKS HOLDING WELL IN BAD MART

(Continued from page 1)

ible. Moreover, bank stocks cannot be sold short. Comparatively few shares are available for trading purposes, the price is high and earnings from year to year show only moderate changes. These factors tend to discourage professional speculators or pools from actively participating in the manipulation of bank shares. Any attempt at the latter would, moreover, be immediately frowned upon by the head officials of the bank.

Relative Position of Listed Canadian Banks

Banks:	Current Bid Price	Approx. Book Value	Ratio Price to Book Value	1929 Earnings	Price Earnings Ratio	— % Earned on — Total Deposits	Capital Reserves and Surplus	Ratio of Deposits to Capital Reserves and Surplus	Dividend Yield
Can. Nationale ..	$178	$202	0.85	$15.05	11.53	0.88	7.52	8.63	5.78
Commerce	239	200	1.19	17.00	14.06	0.89	8.44	9.39	5.44
Dominion	225	234	0.96	21.77	10.34	1.34	9.28	7.08	5.91
Imperial	233	225	1.03	22.31	10.45	1.27	9.94	7.80	5.58
Montreal	295	207	1.42	19.67	15.00	0.92	9.48	10.35	4.75
Nova Scotia	320	315	1.02	27.61	11.59	1.38	9.20	6.86	5.00
Royal	295	216	1.37	20.42	14.44	0.94	9.70	10.50	4.75
Toronto	235	253	0.93	24.22	9.70	1.29	9.69	7.00	5.53
Average—8 Banks	$252	$232	1.08	$21.00	12.00	1.11	9.16	8.45	5.26

As banks are under close supervision by the Dominion government, the element of risk in the purchase of these securities is reduced to a minimum. Bank failures, it is believed, in this country are now a thing of the past. The banking institution has become a national necessity. No industry, no commercial enterprise, no genuine prosperity can survive without the aid of a bank. More than any other type of organization, the bank benefits from the prosperity and business expansion of Canada as a whole, and from long term growth in business industry and the security markets. Earning power is constantly increased by the conservative adherence to the principle of dividends limited for the purpose of building up capital assets. The eight banks listed in the table below, each show surplus and undivided profits in excess of capital subscribed. The banks are less liable to get into financial difficulties also by the fact that they are prohibited by law from having either preferred stock or funded debt, their sole capital liability consisting of one class of shares of $100 par value common.

Fluctuations Are Moderate

The Canadian bank stocks are not subject to the violent fluctuations common to the majority of American bank shares, especially those of the New York City banks. The principal reasons for the apparent volatility of the average American bank shares are twofold. First is the speculation due to merger possibilities and the second and principal reason is the formation of subsidiary security companies.

The U. S. banks themselves are forbidden by rigid statute to depart from the field of banking proper. Their security companies, however, operate under no such limitations. They can originate new offerings, engage in refinancing operations, act as security merchandisers and participate in any number of highly remunerative occupations. The revenues that the banks have derived from these sources have undoubtedly often reached impressive proportions, especially in the late bull market. The extent to which this source of income has increased profits may be best illustrated by the fact that the average per cent earned on total deposits of 18 New York banks for year 1929 amounted to 1.98 compared with the Canadian bank average of 1.11, while earnings on capital, surplus and undivided profits were 11.05 compared with 9.16. Therefore, a certain speculative feature attaches itself to the American bank stock that is not present in the Canadian.

The New York bank stocks, however, have suffered as drastic a decline as the general industrials during the past three weeks on account of the unfavorable earning results for the first six months of 1930 as compared with corresponding period of 1929 and the current prospects that indicate no signs of improvement. This changed outlook is due to the extremely low interest rate prevailing with no change in the rate of interest paid by banks on deposit and with no indication of any appreciable hardening in the near future. Moreover, earnings obtained from the subsidiary security companies have been of meagre importance. The earning outlook for the American bank is therefore by no means certain.

Even at current prices these extra sources of income in American bank stocks appear to have been thoroughly discounted. The average New York bank for example is selling at 3.22 times book value, 24.07 times earnings for year ended December 31, 1929, and offers a yield of only 2.51 per cent. This compares with 1.08 times book value, 12 times earning power and an average yield of 5.26 per cent for the eight Canadian bank shares that are listed.

Position Steadily Betters

The financial position of the Canadian banks recently is showing considerable improvement. The combined factors of an unusual grain situation coupled with the intense speculative activity of last autumn served to place the heaviest strain in many years on Canadian banks. In October, 1929, the credit position as measured by the relation of Canadian loans to Canadian deposits showed that such loans mounted to 78.6 per cent of deposits. As at August, 1930, this ratio has been reduced to approximately 67.3 per cent. Also wheat gives every appearance of moving more freely now and with bank deposits beginning to show monthly increases the general structure is gradually getting on a sounder basis.

The accompanying tabulation gives the relative position of the eight listed Canadian banks on the annual statements for year 1929. Considering the stability, security, marketability, attractive yield, low basis on which the average bank is selling with regard to book value and price time earnings, Canadian bank stocks are believed to offer excellent possibilities at prevailing levels and are especially attractive for the long pull.

Asbestos Shipments Show Further Decline

From Our Own Correspondent

MONTREAL.—Shipments of asbestos in September showed further wide declines as compared with the same month in 1929. Shipments of crude No. 1 amounted to 23 tons as compared with 95 in 1929; output of crude No. 2 was 60 tons against 337, and production of fibre was 5,509 tons as compared with 8,689 in September, 1929. Shorts in bags was 6,741 against 8,175 tons and refuse in bulk amounted to 447 tons as compared with 517 tons in September, 1929.

For the six months ended June 30, 1930, production of asbestos in Canada amounted to 123,693 tons valued at $4,570,733. This represented a decrease of 12.9 per cent in quantity and 26.8 per cent in value, as compared with 1929.

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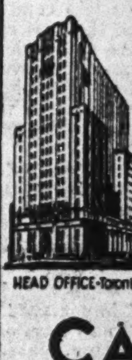

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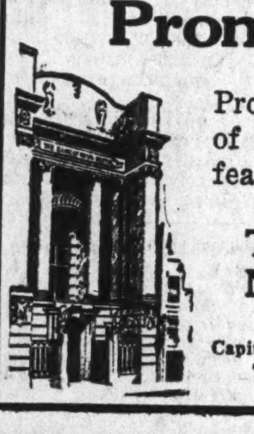

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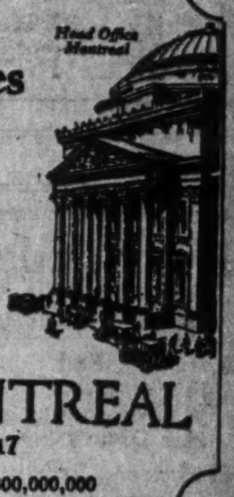

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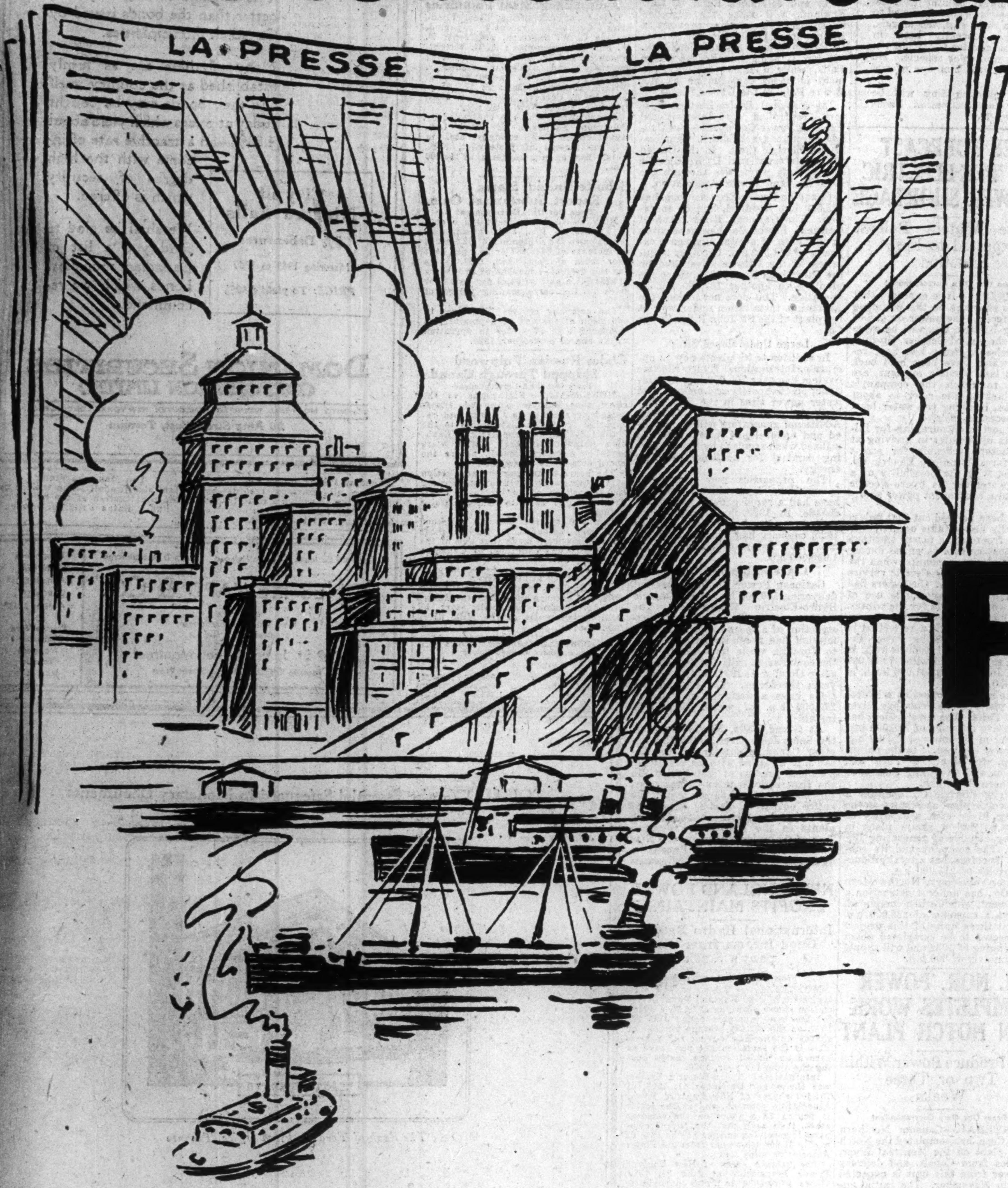

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Visit Regarded Significant of Early Development

IS B. C. POWER SITE

Will be Largest Project in British Columbia—May File Survey Soon

From Our Own Correspondent

VANCOUVER.—The recent visit of Sir Herbert Holt to Campbell River on Vancouver Island is regarded here as significant by those anticipating an early start on power development in that section of the province.

Sir Herbert, head of important Eastern power interests, visited British Columbia as one of the Canadian Pacific Railway party. He spent several hours in the Campbell River region, visiting the Elk Falls, proposed site of the power plant.

Holds Water Power Rights

B. C. Power Corp. was awarded the right some time ago to proceed with a survey of the Campbell River water powers for the purposes of establishing a large hydro-electric plant there. It was given the water rights by the provincial government in competition with the Crown Zellerbach Corp. newsprint manufacturers, which had a claim to the rights given by a previous government.

The understanding is that B. C. Power will file its report with the Government during the next few months outlining the project which it intends to launch at Campbell River, and that actual construction will begin soon afterwards. Flooding of a part of Buttles Lake and adjacent waterways is anticipated as part of the scheme, and expenditure of several millions of dollars is contemplated.

Is Largest Project

The Campbell River programme will be one of the largest so far undertaken in the province, its purpose being to add to the power now available on Vancouver Island to customers of B. C. Electric Railway. The latter is now undertaking several other extensive power schemes, including the Bridge River project which will provide 600,000 h.p. when fully developed, and the Ruskin project, which will yield about 178,000 h.p. Both these, of course, will be of advantage only to mainland power consumers.

A syndicate of coast financiers are meanwhile going ahead with power development in the Portland Canal district, tributary to th important mining areas surrounding Stewart. Construction of a power tunnel will be under way this winter, 800 ft. by 12 ft. diameter. Foundation work for the dam on Davis River will be commenced in the spring. A power house to be erected on tidewater will contain three 5,000 h.p. units, with provision to raising the capacity to 26,000 h.p. if necessary. The whole of the initial programme will call for expenditure of $250,000.

EXPECT OPERATION AT CHUTE-A-CARON WITHIN 6 MONTHS

Unusual Engineering Feat Saved Substantial Expenditure

From Our Own Correspondent

MONTREAL.—The initial power plant of the Alcoa Power Co. at Chute-a-Caron on the Saguenay River is expected to be completed early in the spring of 1931. The plant will operate under a head of about 180 feet and will generate 260,000 h.p. by four turbines of 65,000 h.p. each.

The greater part of output will be utilized by Aluminum Co. of Canada at its Arvida plant, though a certain amount may be placed on the market.

Construction of the plant attracted attention in engineering circles recently when an immense concrete obelisk was dropped into the bed of the Saguenay River, blocking the channel in the course of a few seconds.

Had Great Size

The obelisk was 92 feet high, 45 feet wide, and contained 5,500 cubic yards of concrete; one side was shaped to fit as nearly as possible, the bottom of the river. The structure rested on the top of a pier arranged so that by means of suitable blast holes the river side of the pier could be shot off, thus leaving the obelisk unsupported on that side.

The engineering feat was successful. The obelisk landed in its final position within one inch of its calculated location. The total cost of the operation was less than $75,000, whereas, owing to the depth of the water which was 25 to 40 feet deep, and the velocity of the current, 20 to 30 feet per second, the usual type of crib coffer dam would have involved a cost of between $300,000 and $400,000.

Plans Further Development

The expansion programme of Aluminum Co. of Canada includes the development of the Shipshaw site, and when this is completed, the Chute-a-Caron plant will be used as a stand-by, and for production of secondary power during periods of high flow in the river. The plant at the mouth of the Shipshaw River will ultimately produce about 1,000,000 h.p.

Development of this additional power presages further expansion on the part of Aluminum Co. of Canada, which is the largest user of power in the district served by the Duke-Price Power Co. Aluminum Co. has been operating the Arvida plant at a steady rate and its power demands amount to about 100,000 continuous h.p.

Present power requirements are supplied from the Duke-Price Power Company's development at Isle Maligne. This plant develops a head varying from 110 to 120 feet, and now is developing 500,000 h.p., part of which goes to Quebec over a 187,000 volt transmission line. The remainder is consumed in local pulp and paper mills, and at the Arvida plant.

Hamiltonian to Paint Costly Bank Murals

Travel and transportation in the British Empire is the theme of the eighteen costly murals which will adorn the main banking room of the new Canadian Bank of Commerce head office at Toronto.

Arthur Crisp, a native of Hamilton, Ont., and now a noted mural painter of New York, has been commissioned to execute these eighteen murals, and has recently been in Toronto in order to try out the setting and color scheme. He brought with him one of the panels.

The new building will be ready for occupation about January 1.

RELIEF FORECAST FOR 'PEG ELECTRIC POWER SHORTAGE

Storage Waters Release Expected to Ease Situation

From Our Own Correspondent

MONTREAL.—It is expected that the water shortage on the Winnipeg River, affecting the power output of Winnipeg Electric Co., will be overcome by the end of October. Storage waters released from Lac Seul reservoir, which have been held back until the last possible moment, are expected to reach the company's power plant on the river in about two weeks, bringing the water level back to necessary height.

The report is encouraging for following its difficulties in arriving at a satisfactory schedule for street railway fares, Winnipeg Electric Co. was faced with the possibility of a lack of water for its hydro-electric plant, and a consequent power shortage.

It had been pointed out that unless abnormally heavy rains occurred before the freeze-up, a power shortage was almost certain to ensue during the coming winter months, when the seasonal demand for electric service was at its maximum. Customers had been advised to discontinue use of electric water heaters for the winter.

Output Shows Decline

The situation finds a reflection in the output of Manitoba Power Co. which dropped to 31,684,000 kwh. in August, as compared with 37,852,000 kw.h. in July, and 38,501,000 kw.h. in June, 1930.

Manitoba Power operates a hydro-electric plant on the Winnipeg River at Great Falls. The development has a productive capacity of 168,000 h.p. consisting of six units of 28,000 h.p. each. Power is supplied to the parent company, to Manitoba Pulp and Paper Co., and to mining customers in Northern Manitoba.

Winnipeg Electric Co. operates a hydro-electric plant at Pinawa on the Winnipeg River with a capacity of 34,000 h.p., and a steam plant in Winnipeg, capable of generating 13,000 h.p. The company and its subsidiary, therefore, has a total productive capacity of 215,000 h.p.

Another subsidiary, Northwestern Power Co., has under construction a development, which, when completed, will have a capacity of 225,000 h.p. The first three units of this project are expected to be completed about the beginning of 1932 and will supply approximately 42,000 h.p.

CAN. NOR. POWER COMPLETES WORK ON NOTCH PLANT

Will Produce Power Within Two or Three Weeks

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. has completed the Notch power plant on the Montreal River, 15 miles from Cobalt, and delivery of power from this unit is expected early in November. The initial installation comprises 13,000 horsepower though the site is capable of being developed to 45,000 horsepower. The present output has been contracted for.

Operation of the Notch plant will bring Canada Northern Power's total output to 114,000 horsepower divided between ten plants, of which the Quinze station with a development of 47,000 horsepower is the largest.

Output of energy from the company's plants has been well maintained this year. In August its plants produced 30,855,520 kw.h. This compared with 29,971,780 kw.h. in July and 29,485,910 kw.h. in June. Cumulative production was higher by about 4,000,000 kw.h. at the end of August.

Earnings Are Lower

Earnings, however, have shown a decline. For the eight months ended August 31 net amounted to $1,424,446 as compared with $1,441,401 in 1929 a decrease of 1.18 per cent. Gross earnings were higher in the period by about $30,000 but these were offset by an increase in operating expenses of about $46,000.

The company recently carried out a customer ownership campaign whereby it offered 5,000 shares of 7 per cent preferred stock to customers at $107 per share.

Avon River Power May Buy Electric System at Berwick

From Our Own Correspondent

MONTREAL.—A committee has been appointed in Berwick, N.S., to consider the question of selling the town's plant to the Avon River Power Co. The present system has been connected with the Avon River since the town water supply failed.

Avon River Power, which was acquired by Nova Scotia Light & Power last year, has expanded its activities materially in the past two years.

F. C. Cornell to Organize Halifax Harbor Traffic Dept.

From Our Own Correspondent

MONTREAL.—F. C. Cornell has been appointed to organize the traffic department of the Halifax Harbor Commission. Mr. Cornell has represented the Maritime Provinces in rate cases during the past few years.

Organization of a traffic department is a new division of the activities of the Halifax Harbor Commissioners.

INT. HYDRO SYSTEM TURBINE CAPACITY OVER 1,000,000 H.P.

Additions in Progress Will Add Another 34,000 H.P.

From Our Own Correspondent

MONTREAL.—Completion of installations under way at Grand Falls, N.B., and McIndoes Falls in New England, will raise the installed hydro-electric generating capacity of International Hydro-Electric System to 1,100,000 h.p. An additional 20,000 h.p. is being installed at Grand Falls, while a 14,000 h.p. development is under construction at McIndoes Falls in the United States.

International Hydro-Electric System, controlled by International Paper & Power Co., operates in Canada through a subsidiary, Canadian Hydro-Electric Corp. In the United States, International Hydro-Electric operates its properties through the New England Power Association.

Canadian Hydro-Electric Corp. has 625,500 h.p. installed, and in operation. The Gatineau River plant of Gatineau Power Co. has generators in operation of a total aggregate capacity of 438,500 h.p. On other tributaries of the Ottawa River and on the Saint John River, N.B., there are plants with another 187,000 h.p. in operation. This does not include the 20,000 h.p. installation under way at the plant of the St. John River Power Co.

Large Undeveloped Sites

In addition to its plants now in operation, International Hydro-Electric System has over 700,000 h.p. in additional plant capacity and undeveloped water power sites in the New England States and Eastern Canada. Additional generators will be installed and undeveloped power will be utilized when required by the increasing demand for additional electric energy.

The properties now comprising International Hydro-Electric System have had a rapid growth in the last decade. In 1920, hydro-electric installed capacity was 133,000 h.p. In 1925, capacity had grown to 250,000 h.p., and today capacity is over 1,000,000 h.p.

Canadian Business Grows

Gatineau Power Co., is at present delivering 150,000 h.p. to the Ontario Hydro-Electric Commission. The company recently completed construction of a second 230 mile transmission line from its Paugan plant to Toronto, while its contract with the commission calls for 260,000 h.p. after October 1, 1931, and for thirty years thereafter. The Paugan stations have a designed capacity of 270,000 h.p. of which 204,000 is installed.

At Grand Falls, New Brunswick, the Saint John River Power Co., another Canadian subsidiary, has 60,000 h.p. installed with an additional 20,000 in process of installation. In the first eight months of the year, this plant produced 65 per cent of the entire output of electric energy of all central station hydro-electric plants in the Maritime Provinces. Two of its major customers are New Brunswick International Paper Co. at Dalhousie and Fraser Companies.

NEW ENGLAND POWER PROFITS MAINTAINED

International Hydro Receives Good Income from Company's Stock

From Our Own Correspondent

MONTREAL. — The consolidated statement of New England Power Association shows earnings of $5.25 a share for the twelve months ended July 31, 1930, on the 899,494 average number of shares outstanding during the period. This is the same amount per share as earned on 859,731 average shares during the calendar year, 1929.

International Hydro-Electric System was the owner December 31, 1929, of 794,483 shares of New England Power Association common, and as the latter is paying $2 a share on the common stock, it is seen that the parent company is receiving income at the rate of nearly $1,600,000 a year from the Power Association subsidiary.

The balance sheet of New England Power Association at July 31, 1930, shows $7,000,000 in notes payable to banks, as compared with none at the end of 1929. This indebtedness, plus an addition of $10,000,000 in the 5½ per cent debenture issue of 1954, approximates the increase in assets during the period, which consists largely of additions to holdings in subsidiaries and other companies.

Power Corp. Will Benefit by Dividend Payments

From Our Own Correspondent

MONTREAL. — Power Corp. will benefit to a moderate extent through declaration of dividends on the preferred shares of Canadian Celanese, and Eastern Dairies common. The company at the June 30, 1930, held 750 shares of Canadian Celanese preferred and 1,000 shares of Eastern Dairies common.

Assuming that dividends at annual rate of 7 per cent and $1 are maintained on the two stocks respectively, Power Corp. should obtain a revenue of $6,250 in dividends from its holdings in these two companies over the next 12 months.

Sangamo Electric Acquires Assets of Lincoln Meter Co.

Purchase of the assets of Lincoln Meter Co. by Sangamo Electric Co. with reorganization of the executive structure of the latter company to include the executive and engineering personnel of the Lincoln Meter Co. has been announced. For the past six years the two companies, although not connected financially, have worked in close association in the manufacture of certain types of electricity measuring devices.

The factory of Sangamo Electric Co. in Toronto is being enlarged to accommodate the combined organizations and it is expected that actual consolidation will take place on January 1. It is stated as probable that the work of the Lincoln Meter Co. will be carried on as the Lincoln division.

B. C. Electric Reports Gain in Appliance Sales

From Our Own Correspondent

MONTREAL. — Sales of gas appliances by the British Columbia Electric Railway Co. in August amounted to $19,686 as compared with $17,021 in the same month in the previous year. Electric appliance sales in the same month, however, showed a decline.

There were 1,307 electric appliances sold in August, 1930, as compared with 2,000 in August, 1929.

Metropolitan Stores Sales Decline in Nine Months

From Our Own Correspondent

MONTREAL.—Sales of Metropolitan Chain Stores, Inc., comprising sales of the Company's American units only, amounted to $6,036,897 in the nine months ended September 30. This compares with $6,395,041 in the first nine months of 1929 and represents a decrease of 5.6 per cent.

It is stated that consummation of the deal, whereby the company sold its Canadian stores to the Grand-Silver Stores, has placed Metropolitan Chain Stores in good financial position. It is the intention of the management to concentrate on the development of the 95 stores remaining in the United States.

Announce New Directorate Adirondack Steel Foundries

Officers of Adirondack Steel Foundries Corp., as recently reported, include C. W. Sherman, president; F. W. Sherman, vice-pres.; A. G. Wright, treasurer and M. A. Corbett assistant secretary and assistant treasurer. Directors are C. W. Sherman, A. G. Wright, Hamilton, Ont.; F. W. Sherman, M. A. Corbett, Watervliet, N.Y., and G. A. Davis, New York City.

The company, which is controlled by Dominion Foundries & Steel Ltd., manufactures steel castings, etc., in a plant located at Watervliet, N.Y., which has annual capacity of 12,000 tons.

Schulte-United Stores Report Substantial Gains

From Our Own Correspondent

MONTREAL.—Schulte-United 5 cent to $1 Stores, Inc., and subsidiaries, report sales for September of $2,276,064 an increase of $480,087 or 26.7 per cent over sales of September, 1929. Sales for the first nine months of 1930 were $18,191,345 a gain of 64.43 per cent over sales in the corresponding period of 1929.

The company reports 100 stores in operation at the end of September, as compared with 87 stores in operation at the end of September, 1929.

Claim Russian Pulpwood Shipped Through Canada

From Our Own Correspondent

MONTREAL. — Statements to the effect that Russian pulpwood, transported by steamer to Canada and re-exported from Canadian points to the United States, was underselling Canadian pulpwood in that market were made by forestry officials before the board of railway commissioners.

The board is hearing the application of various newsprint interests against the imposition of an increased newsprint freight rate to United States points.

It was stated that Russian pulpwood had been unloaded in Quebec ports but denials were made that any of the commodity was consumed by Canadian mills.

Drill at Milk River

An English group, Anglo-Western Oils, has entered the Southern Alberta oil development and will start by drilling two wells in the Milk River field shortly.

PUBLIC UTILITY EARNINGS

Southern Canada Power

August	1929 $	1930 $
Gross earnings	1,920,136	2,066,816
Oper. and maint.	675,789	757,544
Net earnings	1,244,346	1,309,272

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Canadian Pacific Makes Record

Eclipsing all previous records by 5,588 cars, the Canadian Pacific loaded a total of 44,777 cars of grain over the period of August 1 to September 30.

Use Manitoba Stone

Manitoba Tyndall stone will be used in the construction of the new Winnipeg Public Baths building, now under way.

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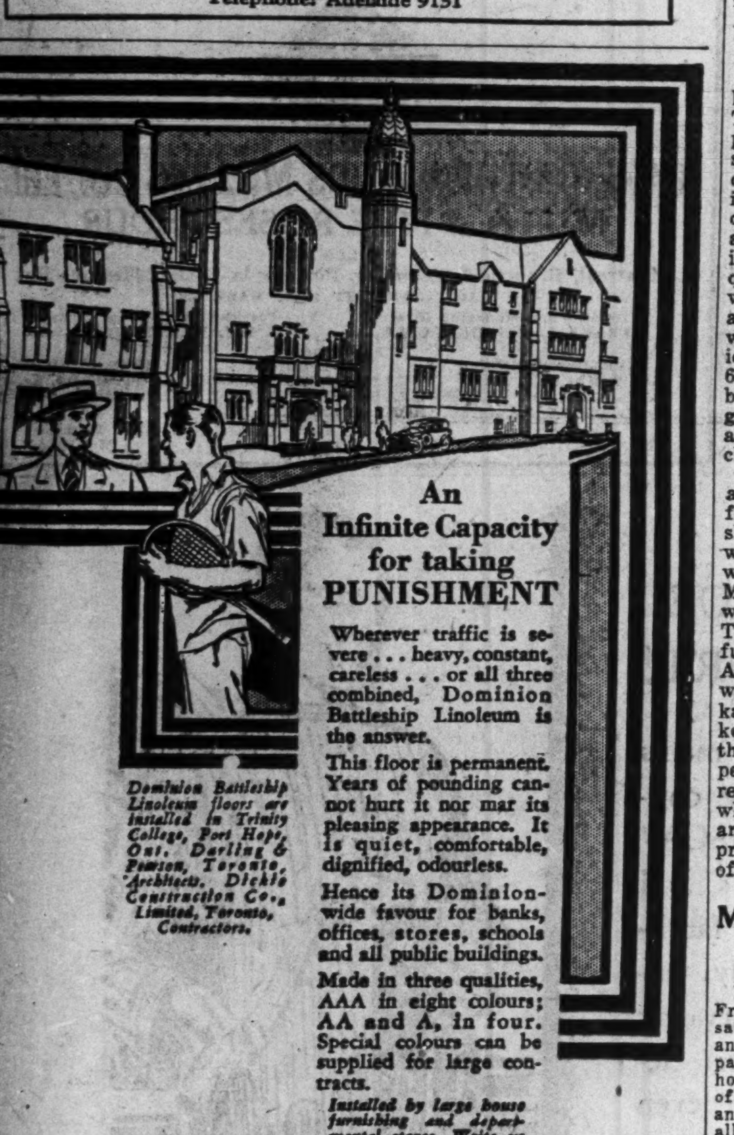
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DOMINION BATTLESHIP LINOLEUM

Investment Markets

BOND PRICES WEAKEN UNDER FORCED SELLING

Abitibi and International Paper Issues Reach New Lows

ALBERTA TO FINANCE

Bidding on New Municipal Offerings is Sustained at Former High Levels

Canadian bonds, in common with United States issues, were subject to a general price decline during the past week. Caused by the break in stock prices, the decline was caused by forced liquidation of bond holdings by investors in order to protect stock brokerage accounts. The break was in sharp contrast to the advances in prices during recent months with the bonds of industries in a weakened position suffering most while government and high grade municipal issues maintained their recent high levels to a much greater extent. The most serious breaks were in foreign government bonds.

Entire List Declines

Of a list of 37 select Canadian bonds of all types, 26 showed price declines during the week, 10 remained the same and one gained. Of 15 Dominion or Dominion guaranteed issues, 10 registered losses of half a point or less, four remained stationary and one, the Dominion refunding 5's of 1943 gained a fraction. Of eight representative provincial issues, 6 lost ground and two held firm, and of 14 corporation issues, four held firm and 10 lost ground. This list, based on traders' prices, can be considered a fair index of the general trend which is not shown to the same extent in a comparison of retail prices.

Canadian bonds listed on the New York Stock Exchange while feeling the general weakness, showed considerably more strength than many United States issues. Abitibi 5's of 1953 ranged from 81¾ to 68 a new low for the year, while International Paper 5's of 1947 sold off to 74 and the refunding 6's of 1955 sold down to .71 which constituted new low points for 1930. Bonds of the Dominion Government in common with U.S. Government, railroad and legal bonds resisted pressure.

Foreign Bonds Weakest

Comparison of the list of active bond prices for this week shown in The Financial Post with the list printed in the issue of October 9 shows many issues as stable but the drastic declines in foreign issues is indicative of the general weakness of this class of bond in New York and especially the South American issues. Argentine 6's of 1958 are quoted 7½ points lower than last week, Brazil external 6½'s of 1957 are quoted 22 points lower than last week and reflect the troubled political situation in that country. Chile 6's of 1960 are off 10 points; Colombia 6's of 1961 are off 6 points. The greater number of Canadian utility and industrial issues show little or no change.

Little new financing of importance appeared during the week but bids for municipal issues apparently showed a good demand for this type with municipalities securing money well under a 5 per cent cost basis. More financing is due during the next week or two, particularly in the west. The largest issue in sight is a refunding operation of the province of Alberta amounting to over $6,000,000 while Vancouver, Calgary and Saskatoon are all coming into the market. The largest individual sale of the last week has been $500,000 4½ per cent 30-year debentures of Montreal Catholic School Commission which was bought by R. A. Daly, and the Bank of Nova Scotia at a price of 98.07, which brings the cost of the new money to 4.62 per cent.

McColl-Frontenac Makes Satisfactory Progress

From Our Own Correspondent

MONTREAL.—The affairs of McColl-Frontenac Oil Co. have progressed satisfactorily during the current year and John Irwin, president of the company has stated in a letter to shareholders that the recent tariff will be of inestimable value to the company and to the industry in Canada generally.

He pointed out that over 30 per cent of the gasoline consumed in Canada during 1929 was imported from the United States and though it is not the intention of the oil companies to increase the price of gasoline to the public, McColl-Frontenac is in an excellent refining position to supply a large portion of the imported gasoline.

No figures are available on current earnings. The common shares have been weaker recently in common with general market conditions and at present prices of 15 yield about 16 per cent.

Attend Investment Bankers' Convention

W. H. R. Jarvis, of McLeod, Young, Weir & Co., Ltd., and C. R. Wisener, of the Dominion Securities Corp., were among those attending the 19th annual convention of the Investment Bankers' Association of America at New Orleans, October 12 to 15.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Wahnapitae Pr. ..	6½%	1944	Nov. 1	105
Laurentide Power ..	5%	1946	Jan. 1	105
Do., ...	5½%	1946	Jan. 1	101
Foreign Issues—				
Danish Cons. Mun. Loan	8%	1946	Feb. 1	107½
French Nat'l Mail Steamship Lines ..	7%	1949	Dec. 1	103
Greek*	7%	1964	Nov. 1	100
Belgium Stabilization	*7%	1956	Nov. 1	105
Buenos Aires	*7½%	1947	Nov. 1	100
Bank of Chile	*6%	1962	Nov. 1	100
Do..	*6%	1961	Oct. 31	100
Peruvian Nat. Loan	*6%	1960	Dec. 1	100
Irish Free State Loan	*5%	1960	Nov. 1	100
Republic of Chile ..	7%	1942	Nov. 1	100
Do., ...	*6%	1963	Nov. 1	100
Rep. France	5%	1980	Nov. 1	†
Italy	*7%	1951	Dec. 1	100

*In part. †At rate of 1,500 francs per 1,000 franc bond pay. U. S. currency at present rate of exchange.

Bond Sales

Charlottetown, P.E.I.

Royal Securities Corp. has been awarded $100,000 4½ per cent debentures, of the Charlotte town, P.E.I., due November 1, 1960, at 96.73; cost basis to the municipality of 4.70 per cent. Alternate bids were called for 4½ and 5 per cent coupon rate. Complete list of bids will be published in The Financial Post of October 23.

COUNTY OF HALTON, ONT.

C. H. Burgess & Co. has been awarded $68,500 5 per cent installment debentures of the County of Halton, Ont., at 101.128. Debentures mature $65,500 in 20 installments and $3,000 in 5 installments. Bids were as follows:

1 C. H. Burgess & o.	101.128
2 Fry, Mills, Spence & Co.	101.081
3 R. A. Daly & Co.	101.079
4 A. E. Ames & Co.	101.077
5 Dyment, Anderson & Co.	101.07
6 Harris, McKeen & Co.	101.04
7 Gairdner & Co.	100.929
8 Wood, Gundy & Co.	100.70
9 McLeod, Young, Weir & Co.	100.60
10 J. L. Graham & Co.	99.50

HALDIMAND COUNTY, ONT.

McLeod, Young, Weir & Co. has been awarded $100,000 5 per cent 10-installment debentures of the County of Haldimand, Ont. at 100.58; cost basis 4.87 per cent. Bids on the issue were as follows:

1 McLeod, Young, Weir & Co.	100.58
2 R. A. Daly & Co.	100.587
3 Fry, Mills, Spence & Co.	100.45
4 Wood, Gundy & Co.	100.40
5 Dominion Securities Corp.	100.391
6 J. L. Graham & Co.	100.377
7 C. H. Burgess & Co.	100.34
8 A. E. Ames & Co.	100.17
9 Matthews & Co.	100.071

PALMERSTON, ONT.

Canadian Bank of Commerce is reported to have been awarded $15,190 5 per cent installment debentures of the town of Palmerston, Ont., maturing 1940-42 and 1944-49 at 99.534. This constitutes the portion remaining of an issue of some $25,000 20 installment debentures after local sales. Bids for the debentures were as follows:

1 Canadian Bank of Commerce	99.534
2 McLeod, Young, Weir & Co.	99.19
3 J. L. Graham & Co.	99.03

WOOLWICH TOWNSHIP, ONT.

Dyment, Anderson & Co. has been awarded $22,000 5 per cent 30-installment debentures of the township of Woolwich, Ont., at 101.511; cost basis 4.86 per cent. Bids were as follows:

1 Dyment, Anderson & Co.	101.511
2 C. H. Burgess & Co.	101.34
3 R. A. Daly & Co.	100.53
4 Gairdner & Co.	100.27
5 A. E. Ames & Co.	100.075
6 J. L. Graham & Co.	99.523
7 Matthews & Co	99.261

MONTREAL CATHOLIC SCHOOL COMMISSION

R. A. Daly & Co. and the Bank of Nova Scotia has been awarded $500,000 4½ per cent 30-year debentures of the Montreal Catholic School Commission at 98.07; cost basis to the commission of 4.62 per cent. Alternate bids were called on 4½ per cent and 5 per cent debentures maturing Nov. 1, 1960. List of bids is as follows:

	4½%	5%
1 R. A. Daly & Co.	98.07	104.28
2 Banque Provinciale, Hodgson Bros., Geoffrion & Co.	98.015	......
3 Mead & Co.	97.88	......
4 Fry, Mills, Spence & Co., Bell, Gouinlock & Co. ...	97.53	103.08
5 Dom. Securities Corp., A. E. Ames & Co., Hanson Bros., Banque Canadienne Nationale	97.53	103.05
6 Wood, Gundy & Co.	97.40	103.02
7 Bk. of Montreal, McLeod, Young, Weir & Co., Beaubien & Co.	97.27	103.57
8 Hannaford, Birks & Co., Gairdner & Co..........	97.03	......

Bond Tenders

6 p.m., October 16, McGillvray Tnp., Ont.—$31,285. 5½ per cent 10-installment debentures dated December 15, 1930, Ailsa Craig payment and delivery. Oliver, Amos, township clerk, Parkhill, Ont.

Oct. 20, Town of Sandwich, Ont.—$72,780 5½ per cent debentures maturing as follows:

Amount	Term	Dated
$35,280	3 year	Dec. 1, 1929
14,500	10 year	Dec. 1, 1930
23,000	20 year	Dec. 1, 1930

Semi-annual interest. H. A. Hackney, treasurer. (See announcement on page 16).

Noon, October 20, Sudbury—$176,000, 5 per cent 20 installment debentures. W. J. Ross, city clerk.

Oct. 21, Town of Drummondville—$58,000, 5 per cent, 30-year, serial bonds. J. Marier, sec.-treas.

8 p.m., Oct. 21, Town of Drummondville—$58,000, 5 per cent 30-year serial debentures dated September 1, 1930. Principal and interest payable September and March 1, November 20 delivery. J. Marier, sec.-treas.

11.30 a.m., Oct. 21, Province of Alberta—Alternate bids are asked on $6,068,000 4 per cent 5 year debentures dated October 1, 1930, and maturing October 1, 1935 or $6,450,000 4 per cent 30-year debentures dated October 1, 1930. and maturing October 1, 1960. In either case bonds are to be payable as to principal and semi-annual interest at the Imperial Bank in Toronto, Montreal, Winnipeg, Calgary, Edmonton or Vancouver or at the Bank of Manhattan Trust Co., New York. Bonds will be free of all provincial taxes. W. V. Newson, deputy provincial treasurer.

8 p.m., Oct. 21, School Commission, Village of Ste.-Anne-de-Chicoutimi—$47,700 6 per cent debentures maturing November 1, 1945. Interest payable May and November 1. Honore Gagnon, sec.-treas.

2 p.m., October 21, City of Vancouver—$2,544,588 5 per cent straight term debentures as follows:

Amount	Term	Mature
$1,100,000	Jan. 15, 1930 40 year	Jan. 15, 1970
300,000	20 year	Jan. 15, 1950
529,456	30 year	Aug. 12, 1960
242,428	10 year	June 30, 1940
372,649	15 year	June 30, 1945
73,055	10 year	Sept. 22, 1940

Alternate bids are asked on bonds payable in Canada only and in Canada and New York. A. J. Pilkington, city comptroller. (See announcement on page 16).

5 p.m., Oct. 21, Vegreville, Alta.—$9,000, 6 per cent 10-installment debentures dated August 1, 1930, payable at Canadian Bank of Commerce, Vegreville. J. Fitzallen, secretary-treasurer.

Oct. 22, Calgary—$175,000, 5 per cent, 30-year, due Jan. 1, 1960; $1,500,000. 5 per cent 40-years, due April 1, 1970. J. M. Miller, clerk.

Oct. 24, La Malbais, Quebec—$81,800, 5 per cent debentures due 1931-1950. L. P. Conturier, sec.-treas.

12 noon, October 27, City of Saskatoon—$643,500 debentures dated November 1, 1930. maturing as follows: $226,400 in 10 yrs., $14,600 in 15 yrs., $34,000 in 20 yrs., and $368,500 in 30 yrs. Alternate bids asked on a 4½ per cent and 5 per cent coupon rate and alternate bids on interest and principal payable (1) at the Bank of Montreal in Montreal in Montreal, Toronto, Winnipeg, Vancouver and Saskatoon or (2) at these points and the agency of the Bank of Montreal in New York City. Denominations at purchasers option, $100 minimum. Andrew Leslie, City Commissioner, City Hall, Saskatoon. (See announcement on page 16).

8 p.m. Oct. 20, Village of Colborne.—$23,000 (issue for paving, etc.) 5½ per cent, 20-year debentures. H. S. Keyes, clerk-treas.

FIRST-CLASS STOCKS ON YIELD BASIS OF ADEQUATE INCOME

(Continued from page 1)

its various plants in 100 per cent working order and in turning back money into the business in every possible way so as to have operations both as efficient and as economical as it was felt to be humanly possible to make them. It is at present levels as good a bargain as any on the list.

Page Hersey has given such an exhibition of sound financing in recent years and has stayed so close to the ground in time when earnings were running high that a large measure of faith in its possibilities is justified. On the basis of last year's earnings a price above 100 seems to be justified, and though earnings this year are likely to be down the dividend will be earned with a good margin in all probability. At 75½ and at any point below 90 even under present conditions holders stand excellent chances of appreciation over a term of years. It has been as high as 105 this year and it was considered to have a reasonable valuation even at that point.

Both Yield and Prospects High

Goodyear Tire & Rubber Co. common stock gives a yield of 7½ per cent at the present moment and that high yield has behind it as well a record of earnings and financial accomplishments in the last ten years which is really remarkable. Management of a high order has taken the company through the recurring difficulties and dangers which come to a business having as its chief raw material rubber with normally great variations in price. Rubber is now at a very low price. Automobile production is low as compared with 1929. The automobiles already in use, however, run as usual and need tubes and tires. The company is apparently faring very well so far. Its present dividend was earned nearly three times over last year. The company has come through very strenuous periods of competition in the past and doubtless will be able to do so again.

Think of Ford in 1935

Ford Company of Canada is not making cars up to capacity by any means. Its production is down just as that of every automobile manufacturer is down. But it has been leading in sales in Canada, it earned its present dividend twice over last year, and it can be expected to take its full share of returning business as it comes. The yield of this stock is now 7.41 per cent, and if future years duplicate for this company what the past has done there may be ten years from now many people who have done very well by holding. In the past holders have multiplied their capital many times by holding this company's stock. Conditions are different but also prospects are excellent even if one does not expect the enormous profits made in the early days of the industry.

Oils Are Attractive

British American Oil with a yield of 5.42 per cent on the market valuation has been doing well this year in spite of the business depression, and that good position has been enhanced by the success in bringing in important production in the Southern States.

International Petroleum for the first time in years sells on a 7.02 yield basis. Troubled days in South America have unsettled people but how about the position of the company when the world resumes its stride and it is found, as there is every reason to expect, that International Petroleum operations in Peru and Colombia are still being pursued with growing success? Such opportunities did not exist in the boom days of the last several years. People see hazards now more plainly than opportunities but a reasonable diversification of risks should prove profitable.

Massey, Gypsum and Walker's

Even with companies which have for one reason or another dropped or passed dividends recently or which traders fear may possibly do so within the next year or so, there are possibilities. Take the case of Massey-Harris selling at 13½ for much less than its break-up value in current assets. The agricultural situation is dark, prices of farm products and therefore purchasing power of Massey-Harris customers is low, and there may be difficulties about credit more strenuous than for years. The company has had such problems to face before. Agricultural communities have somehow managed in every past period to come through these recurrent periods and it is a strong probability that in a few years they will have won through to a better place than before. When they do the trend of the large farm is to mechanization, and even now the large wheat farm cannot do its business as cheaply as it should without help of such machines. This will appear a great bargain some years hence.

So will Gypsum & Alabastine common selling on a yield basis of 10.26 per cent. The company is well managed, has expanded in a sound and impressive manner, is well established in the building trades with its products all over Canada, and its future over a period of years is attractive.

Walker's is selling less than its liquid assets justify. At 5½ it does not matter whether it stops paying its $1 dividend. Its financial position and position of primacy in the industry are only threatened by legal barriers to its United States market. These are strong obstacles and the stock is mainly for those who believe that United States markets will again re-open. Many people do so believe. In the meantime the company earned its dividend in the year which ended June 30 and it should earn something this year, even under present conditions.

Metal Stocks Are Low

Brazilian's situation is treated elsewhere. Noranda's position is also treated elsewhere in this issue. The yield is now 14.29 per cent. One could afford to pay the price and have the dividend stop for a few years. If dividends are passed altogether, the stock might be obtained lower, but it is not safe to bank on distress prices always.

Consolidated Smelters sold for $600 once last year and now is selling at 130. Base metals are selling at very low prices and the influence on the company's earnings must be great. The company is, however, much more firmly entrenched than it was ten years ago, it has great resources and exceptionally powerful backing. When metals rise again in price as eventually they will this company will be found very solidly in the saddle. It has been a rich man's stock because of the high market valuations. It may go lower, but it is very reasonable to suppose than in years to come it will also be found at very much higher prices.

Sizing Up Active Stocks

	Close Tuesday	Annual Div. in $	Yield in %	Dollars Earned in 1929 per Share
Can. Pac. (new) ..	42¾	$2.50	5.85	$2.79
Montreal Pr.	55	1.50	2.73	2.14
Shawinigan	54	2.50	4.63	2.34
Steel of Can.	37¾	1.75	4.63	6.10
Inter. Nickel* ...	17⅞	1.00	5.59	1.47
Page Hersey	75½	5.00	6.62	11.29
Massey-Harris	13½	0	0	†2.68
Imperial Oil	16⅞	.50	2.96	.99
Intern. Pets.	14¼	1.00	7.02	‡
B. A. Oil	14¾	.80	5.42	1.23
Ford "A"	20¼	1.50	7.41	3.15
Gypsum	14⅝	1.50	10.26	1.70
Walker*	5½	1.00	18.18	1.56
Brazilian	22½	...	...	2.67
Noranda*	14.00	2.00	14.29	1.91
Goodyear	100	7.50	7.50	21.94
Smelters	130	12.50	9.62	17.35

*Dividend reduction forecast.
‡Report not published.
†Excluding income received from sale of assets.

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Charlottetown, P.E.I.	Oct.	Royal Securities Corp.	4½%	1960	$100,000	96.73	4.70
Halton County, Ont.	Oct. 13	C. H. Burgess & Co.	5% / 5%	20-ins. / 5-ins.	$65,500 / 3,000	101.128	4.85
Haldimand County, Ont.	Oct.	McLeod, Young, Weir & Co.	5%	10-ins.	100,000	100.58	4.87
Palmerston, Ont.	Oct.	Canadian Bank of Commerce	5%	1940-42 / 1944-49	15,190	99.534	
Woolwich Tnp., Ont.	Oct. 7	Dyment, Anderson & Co.	5%	30-ins.	22,000	101.511	4.87
Montreal Catholic School Comm.	Oct. 14	R. A. Daly & Co., Bank of Nova Scotia	4½%	30-yr.	500,000	98.07	4.62

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TORONTO, OCTOBER 16, 1930

THE IMPORTANT POINT

WHILE Canadian business men as a whole felt that Premier Bennett made out a strong case for a system of Imperial preferences to embrace the whole of the British economic commonwealth there must have been widespread astonishment that he failed to use the most important argument in his sales kit. Mr. Bennett offered concessions to Britain and the other Dominions in exchange for concessions to be given by them. Had he been talking to the Dominions alone this would have been sufficient. But Mr. Bennett was talking primarily to the British government and over their shoulders to the British people. And he did not refer to the fact that for many years Canada has given preferences to the British people, for which it has received little in return.

Mr. Bennett proved himself a surprisingly inept salesman. The relief of the Snowden-Graham group in the Macdonald cabinet must have been enormous.

Mr. Bennett declared that the time had come for plain speaking. And he provided a goodly amount of that same plain speaking. But he did not go far enough.

Most of the British newspapers and politicians are considering what Canada is going to give in return for the ten per cent preference Canada asks in the British market. Most of them express the opinion that a ten per cent preference in the Canadian market is not enough to warrant them in changing their traditional fiscal policies. Almost universally they ignore the point that unless Great Britain now grants preferences Canada may be forced to reduce or abolish the preferences it already gives. The British people are good traders and quite capable of looking after their own interests. They will not themselves raise the point of what Canada has done for them over a long term of years. Unless Canada's spokesmen raise the point it will be left out of the negotiations entirely.

There is a general feeling in Britain that what Canada has done has been but the rendering of filial duty; that our concessions have been merely a return for what Britain has done or is doing for Canada. But British and Canadian relations must be on a business basis today. Great Britain, while it may have rendered certain services to Canada a hundred years ago, is not now exploiting, managing or defending this country. We have a right to demand a definite tangible return for whatever fiscal preferences we give to producers in Great Britain, a return not only for whatever further preferences we may give but for those we have so freely given for thirty odd years.

Mr. Bennett should have stated this plainly. He should, moreover, have told the British manufacturers that they have not been as alert to seize the advantages that we have given them as they might have been. British salesmanship in Canada has not always been what it might have been; the advantages they have had in this market could have been multiplied many fold by aggressive merchandising on their part.

TOO VAGUE A VOICE

RESOLUTIONS passed at the annual meeting of the Canadian Chamber of Commerce did not express the viewpoint of Canadian business. They were either platitudinous or lacking in decision. They were framed in what were apparently very heated meetings of a small committee and, when they emerged for discussion by the convention at large they had been so emasculated and compromised, in order that they should be capable of approval of all delegates, that they were largely indecisive.

Probably this unsatisfactory trend in the affairs of the chamber has been noticed by the substantial business leaders who have given much time to making it a successful institution in Canadian affairs. No doubt they are anxious that a way should be found for the Chamber to assume its role as the spokesman for Canadian business, the interpreter of Canadian business opinion for governments and, through the press, the public.

If the annual meeting is found to be an inadequate forum for the crystallization of the opinion of business it might be better for the Chamber virtually to abandon the passing of resolutions and to confine itself to nation-wide referenda, among boards of trade and business associations, on questions of public interest. The Chamber might, as an example, take a referendum on the question of the St. Lawrence waterways, a problem which vexed the resolutions committee to the point of complete failure in their attempt to express any significant opinion at all. Specific questions might be asked of the 200 member boards on such questions as the one of jurisdiction, of tolls, of private versus public development of the power, and on the broader question of whether or not business men want the canal at all on any of the possible bases of development. The results of the referendum might be published, and, while the Chamber itself might not care to commit itself to even the majority opinion expressed, it would have served a useful purpose in indicating what was the weight of opinion on the subject.

Meaningless resolutions, inadequately discussed and voted upon by a handful of delegates, carry little weight. The Chamber must find a better way of determining the viewpoint of business if it is to speak for business. No doubt this way will be found. The Chamber has the support of many able business men who are surely capable of giving its pronouncements the energy and force now lost through infirmity and lack of determination. It was noted that the Chamber got only moderate press support for this convention. Two Toronto newspapers saw fit to be sarcastic. The Chamber should not be afraid to nail the colors of sound business to the mast and make a vigorous fight to attain worthwhile objectives.

THROUGH A GLASS, DARKLY

THERE seems to be one clear lesson in the glass duty farce. The moral is simply that tariffs fixed without adequate study and considered only behind closed doors can not always be counted on to serve well the economic needs of Canada. When the emergency tariff changes were brought down, The Financial Post stated that such changes could not be regarded as having been scientifically devised and that no one could foretell exact what their incidence would be. The unsatisfactory results that have followed from the imposition of a drastic duty on glass and an even more drastic removal of those duties are evidence of the upsets that may accrue to business and the disadvantages that may also be inflicted on consumers by tariff changes effected without comprehensive investigation.

The tariff board should be reconstituted at once. The prime minister saw fit to disband the former tariff board and even to dismiss or absorb into other branches of the civil service all of its technical and secretarial officers. There is no single fact-finding tariff body in Canada, excepting of course the small group of departmental officers, who surround the finance and customs ministers, and who are charged chiefly with administrative duties that keep them actively employed.

The great glass mystery will probably long remain a mystery to the public. Why did an American company build a million dollar plant in Canada? Was the plant itself economically justified? If so why was it closed down in four months when there was no intervening tariff change? What was the influence of the decline in the Belgian franc? What did the owners of the plant promise the present government if they got a duty? Why did they find it impossible to get their plant rehabilitation under way with sufficient speed to satisfy the government of their good intentions? Had they, in fact, any intention of actually making glass under the new tariff? These are some of the questions that puzzle consumers and business men alike. These questions are, however, not the most important ones that could be asked. It would be very valuable to know if a reasonable tariff would give Canada a window glass industry and enable the owners of the glass plant that is now closed down to open it up and sell glass in Canada at current prices. Between the public statements of politicians and the even less frank statements of officials of the company in question the public is enveloped in a cloud of bewilderment, which can only be dispelled by a public investigation of the facts. But there is no tariff board to do the job.

Glass is only one example. In other fields there is need for facts regarding the tariff and its effects. Give us the tariff board and let us have these facts.

C. N. R. AND POLITICS

OFFICIALS and supporters of the Canadian National Railways are pained when the great government railway system is charged with being a political institution. But even a powerful figure like Sir Henry Thornton is incapable of making it otherwise under present conditions. We have a very tangible proof of this in the fact that the railway is now changing its board of directors. The old board resigned when the Liberal government went out of power and the new government has not had time enough yet to name a new board. There is considerable discussion now as to whether a C. N. R. directorship should be regarded as a political plum to be given to those who have served the party or whether other considerations should prevail. But whether Mr. Bennett chooses party servants or business men for the job they will probably go in knowing that they will be expected to resign when the government changes hands. And if they do, the essentially political character of the board will remain. No great business institution can be well managed by a board of directors that changes with the tide of party fortune and no business institution can become other than a political institution so long as such a practice prevails.

The Financial Post some months ago compared the directorate of the Canadian Pacific Railway with the Canadian National Railways and the comparison was not very favorable —could not be in fact—to the government-owned system. The Financial Post declared at the time that it was little wonder that Sir Henry Thornton was the dictator of the C. N. R. Sir Henry replied rather sharply in a public speech a few days later but it was noticed that he merely denied being a dictator and did not go out of his way to pin any medals on the board of directors with which a faithful Liberal government had surrounded him.

Sir Henry Thornton has done a remarkable job for the C. N. R. considering the fact that his directors had been chosen to represent provinces, occupational groups and religions rather than because they could contribute advice or build business for the line. He might do a much better job if he had a board of directors consisting of men as able as those on the directorate of his great competitor. It is foolish to assume that all the business brains of Canada are on the C. P. R. board. There is plenty of good material left and it is from this material that a permanent continuing board of directors should be selected for the billion dollar property that is owned by the citizens of Canada. This might be the first step to making the Canadian National Railways what Sir Henry Thornton publicly declares it to be but what privately he must know it is not—a non-political business corporation.

BUSINESS SOCIALISTS

IT WAS a significant coincidence that the two chief speakers at the closing banquet of the Canadian Chamber of Commerce annual meeting should have taken the occasion to make a plea for the free play of economic forces, unhampered by government interference or artificial restrictions.

Julius H. Barnes, grain merchant, and chairman of the United States Chamber of Commerce, outlined the history of abortive attempts at artificial price maintenance through government control. He declared that there is a responsibility on governments to study and respect the currents of economic law. Mr. Barnes went further and gave the salutary advice that business men should do the same thing.

E. W. Beatty, chairman and president of the Canadian Pacific Railway, urged business men to fight the insidious growth of government intervention in many fields of business. If it is right, he declared, for the government to intervene in one field of business, it is right in all other cases and if it is right in most cases then socialism is right; and "socialism contains none of the ingredients of the healthy commercial activity in which the vast majority of Canadian business men believe."

No doubt all Canadian business men agree, in theory, with these views. Yet, as was pointed out in these columns last week, every socialistic venture in Canada has had its genesis in the demands of business men, who have been prepared to accept whatever personal advantage might accrue to them from one single venture of government into business or a single artificial attempt at price maintenance so long as there were no similar schemes, initiated by other business men, from which they or business as a whole might suffer.

Many Canadian manufacturers want our governments to enter or remain in the power business or in the ocean shipping business or some other business so long as their own business is untouched. If the business men of Canada were to declare against the unsound policy of government shipping, various futile governmental ventures in this field would not last much longer.

Combines, trusts, price fixing agreements, government ownership schemes, are all festering encrusations upon business in Canada and they remain with us chiefly because each one has the support of some few business men, thus making it impossible for business men as a whole to present a united front for sound economics.

EDITORIAL NOTES

Huntingdon Gleaner, published and edited now as since the beginning by the Sellar family, has celebrated its 68th anniversary with a beautifully printed pictorial supplement dealing with its area.

* * *

The Golden Jubilee Number of the Imperial Oil Review, staff magazine of Canada's leading oil refining and distributing organization, is a testament of Canada's industrial progress in fifty years. One would have found the edition even more interesting if the company had utilized its pages entirely to tell of the fifty years of service of Imperial Oil but the editors have modestly said little of Imperial Oil and much of Canada.

* * *

The Evening Standard of London gives a page-width streamer, a large photograph and a long story to an interview with Premier Ferguson of Ontario on his arrival in Britain. Immediately below it gives a paragraph or two to Premier Bennett of Canada. Mr. Ferguson put in a word or two for the Beaverbrookers. Mr. Bennett did not mention them in his interview. Our readers have one guess as to whether or not the Standard is a Beaverbrook paper.

POST-scripts

THE decline in the price of base metals is a matter of concern to those who take some pride in their body for the human structure contains copper, nickel, cobalt, zinc, iron and other metals. With the decline in the market price of these metals the human body chemically speaking, is worthless.

Apparently the mineral that is most necessary in the body is calcium, which is a bone-building food. Nickel and cobalt are apparently necessary. There is plenty of iron in the system and it apparently serves some useful function but on the other hand, the value of our high zinc content is questioned. Copper and manganese enter the body in various forage foods and while they do not build up tissue they are found where the vitamins are and it is assumed that they are important.

So far the only gold that has been found in the body is in artificial teeth and the only silver is in skull plates.

A MONTREAL brokerage house, in an effort to stimulate trading, recently carried out a thorough rehabilitation of its board room. The office was spruced up, new furniture was installed, and every inducement was displayed to facilitate trading. All was in readiness for a big rush of business, when the doors were opened to the general public. After an hour of silence, broken only by the intermittent stutter of the ticker, a shabbily dressed individual entered. He surveyed the brightly lighted board, he looked steadfastly at the red leather furniture. Then seating himself composedly on the largest sofa in the board room, he drew from his pocket a package, carefully unwrapped it and began to eat a large ham sandwich.

OUT in British Columbia, C. P. R. is building the tallest dam in Canada in connection with power development on the Pend Oreille River. We say C. P. R. The dam is being built by West Kootenay Light and Power Company. This company is controlled by Consolidated Mining and Smelting Company of Canada. "Smelters" is controlled by C. P. R.

The big dam will be 400 feet high. That is about the height of the new Canadian Bank of Commerce building in Toronto. Getting out the trusty old World Almanac, which the sages of the daily newspaper offices use to answer most of the questions their readers fire at them, we find only one dam anywhere in the world more than 400 feet high. The San Gabriel dam in the States is 435 feet high. Other dams over 300 feet high are Kensico dam, part of New York's water supply system, 307 feet high; Arrowrock irrigation dam in Idaho, 345 feet high; Elephant Butte irrigation dam, on the Rio Grande, 306 feet high; Shoshone irrigation dam in Wyoming, 328 feet high; Exchequer irrigation dam in California, 330 feet high.

Stock Tickers and Business

Wall Street Journal

Our modern doctor is a person very different from the doctor of fifty years ago, who made his rounds with his entire stock of instruments in a small bag and his stethoscope in his hat. If he had a clinical thermometer at all it was something like a bathtub thermometer, for auxiliary use. He knew nothing of X-ray, fluoroscope, manometer or cardiagraph, nor had he at command nurses with charts. Furthermore, he kept his diagnoses very much to himself. All the patient knew about his own troubles was what the doctor chose to tell him and the patient's job was to take his regular dose of "The mixture—one tablespoonful three times a day" and stay in bed until he was told to get up—if he ever did get up. Nowadays he knows his temperature, his pulse, his blood pressure, his basal metabolism and a lot of other things. theoretically he is not supposed to see his charts, but he usually manages to do so. His doctor is an "executive," with a corps of assistants, an elaborate plant and a library of cards, charts and diagrams, and there is not an inch of the patient's anatomy that holds any secrets so far as he is concerned.

Much the same may be said of modern business. Never have its operations been so completely dissected, studied, measured, charted and theorized upon as in these days. Never were so many doctors engaged in that process. Never was so little yet remaining unexplored. And never was the patient himself kept so continuously informed as to his condition. Frequent bulletins attend to that, regular bulletins (metaphorically) every hour and extras, between times, when his pulse drops a few beats or his temperature goes down half a degree. It is, like the modern doctor's practice, all tremendously scientific and, of course, enormously useful. But one cannot help wondering whether, as in the case of the doctor's patient, an intense preoccupation with symptoms on the part of the business patient really conduces to an earlier and more thorough convalescence. In medicine it is not so held; can it be so held in business?

Doubtful — perhaps hardly even doubtful. And there is also, unfortunately, as in the case of "business pathology" an instrument of extraordinary sensitivity and continual activity, whose recording sheets yield violently fluctuating lines, the significance of which is not yet fully understood by the pathologists, but which tend to cause much vague uneasiness to the patient. Medicine has nothing quite analogous to the stock ticker—that is, not yet—and the trouble is that to the business patient who watches the stock chart its "indications" tend to outweigh in his mind the more humdrum records of pulse, temperature and nourishment, causing him to alternate too frequently between despondency and hope.

If "business" would bring itself to forget for a while that particular instrument (and its "records" this year and last) it might help quite a bit to get the patient out of bed.

As Others See Us

This Word Puzzles Us

Stratford Beacon-Herald — The following we clipped from the editorial page of this week's Financial Post:

"The Financial Post has no editorial rule against the publication of such articles; in fact, this paper probably has fewer prohibitions and a smaller index expurgatorius than most journals."

That's a great word there — e-x-p-u-r-g-a-t-o-r-i-u-s. When we hammered it out on the typewriter we had to go slower than usual to make sure we got the letters all stuck in their rightful places.

We looked the thing up in several almanacs, in the Canada Year Book and also in the Dunning budget. We find that it comes from the Greek word "expectorate," which means to fight bravely with a broken spear against great odds.

Another authority says it comes from the Irish word "expurgate," meaning —opposed to the existing form of government.

The Dunning Budget says it means the same as counter-vailing, and the Family Almanac gives the root of the word as coming from the French tongue and means trying to go seven hours on a European breakfast.

The use of such a word as expurgatorius is something new for The Financial Post. That is one of the large family of papers published by Col. John Bayne Maclean. Some time back he was made the recipient of a degree at Western University which entitles him to the degree of Doctor.

We imagine it may be the academic atmosphere of Western that has made it possible for this expurgatorius to find lodgement within the columns of The Post. As a rule we like to read that paper; it deals with financial matters and gives one an idea of all the strange things that go on behind mahogany doors. But we wish The Post would not use words that send us scampering off to look in books and documents to find out what they mean. Just now with winter coming on there are so many odd jobs to do around the house that our time at the office is limited and badly cramped.

Difficult for Publishers

Clinton News-Record—Some people complain that duties are too high while others declare them too low, which makes it difficult for governments to please all the people. But publishers have long been convinced that they are discriminated against in regard to tariff laws. The way it works out is very concisely put in the following from The Financial Post:

"No printing machinery is made in Canada. Duties, sometimes heavy, are collected on everything excepting typesetting machines and certain printing presses. Even here the Customs have been getting us by trick duties on parts. Foreign publishers get everything into Canada free of all duties. That is, if you publish in Canada you must pay duty on all your supplies; but if you cross the border and print there or in England, paying out all your wages and buying all supplies in foreign countries, you have a free run of the Canadian market."

Another way of illustrating how the tariff favors foreign publishers is to call to mind the fact that if a Canadian publisher wishes to use a special illustrated strip, comic or otherwise, and sends to the United States for one, as few are turned out in Canada, he has to pay duty on it. But the American publisher can bring in the same illustration, and a dozen others, if he pleases, all in one magazine, which enters Canada duty free.

In the Mail

Clarion Call to British Empire

Editor, The Financial Post,

The clarion call regarding preferential tariffs should be brought to the attention of every thinking Canadian, especially to the younger men of the country.

T. B. Macaulay, in analyzing the rapid strides the United States has made and the reason for it, says that they are developing their national resources as an economic unit.

The question is asked: Have we done as well with our inheritance as the Americans? If we wish to turn the hands of the clock back some hundred years ago, and consider the population of Canada and that of the United States, we can soon come to a conclusion that the words of Mr. Macaulay are only too true.

The example set out regarding the United States and Porto Rico clearly defines what we should do as a British Empire. I can recall the years of 1911 to 1924, when I took an active part in presenting the trade benefits between the British West Indies and Canada. During these years there were considerable handicaps to overcome in the development in this trade.

In 1924 at a business meeting in the City of St. John, the object was to improve trade relationships with the British West India Islands, and Senator Logan was the main speaker on that occasion. At that time, I advocated placing a duty on bananas coming into this country via the United States. This became a factor in 1929 and I am sure any one following the progress of this enterprise can easily visualize that there is a great expansion coming in the near future in the development of this trade.

Right in the City of Halifax, one can see steamers coming from the West Indies with full cargoes of bananas, loading 80 to 90 cars from each steamer, which is hauled over Canadian roads. This is as it should be.

This is one item which has made a large improvement in the ports of Halifax, St. John and Montreal. If we could only have other products coming direct to the ports of Canada instead of the United States, our ports would be self-supporting.

I quite concur that trade under preferential tariff among the British Empire, with a higher tariff against other countries should be the slogan of Canada and the British Empire.

Although Mr. Macaulay has made the case very clear and very emphatic, it must be remembered that the Right Hon. Joseph Chamberlain advocated the same doctrine that this great financial and business man of Canada has brought to the attention of your readers, and I am sure that the country will not go back in conducting its affairs along the line suggested by Mr. Macaulay. I feel sure if the country is carried along under this basis, Canada would soon come into its own inheritance and her people would be made happier and more contented.

A. J. SOLLOWS.

Halifax, N.S.
Oct. 11, 1930.

Other People's Views

Of Concern to Entire World

New York Times—There is no nation on the face of the globe outside the British Empire so powerful and so self-sufficient that it will not suffer commercially if all these states within the British Commonwealth really get together in one vast but closely knit economic union.

Warns Against Dole

Montreal Gazette—Lord Melchett, on the eve of his departure from New York for England, gave an interview in which he predicted a quick end to business depression in America, and his parting advice was to "be careful of that chimera — unemployment insurance." He told the Americans to look at Germany and England before adopting this system, which "slows down industry and promotes laziness."

Lord Melchett's warning may serve for Canada as well as the United States, for there have been advocates of unemployment insurance here of late.

Credit for Fine Address Due to L. N. L'Esperance

To L. N. L'Esperance, manager of the Montreal uptown branch of the Imperial Life, goes the credit for an excellent address on life insurance underwriting, given before the international convention of life underwriters held in Toronto recently and printed in The Financial Post of October 2.

In that issue of The Post, the address was unfortunately credited to E. J. L'Esperance, brother of the Uptown manager, and also an outstanding life insurance underwriter in Montreal.

Advantage of Bonds Again Proven

The wisdom of accumulating high-grade bonds has again been proven. The recent severe liquidation in the stock markets has resulted in serious depreciation of stock values.

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Business Conditions in Canada

PRICE DECLINE CUTS 43 p.c. OFF WHEAT INCOME

Purchasing Power Cut in Prairies Despite Higher Marketings

ALBERTA SUFFERS

Average Return Per Bushel Only Half of 1929—Good Livestock Market Seen in 1931

Nothing tells more clearly the story of declining purchasing power in the Western provinces, than the monthly compilation of the W. Sanford Evans Statistical Service as to the net money value to farmers of wheat delivered each year at country stations.

A year ago, in August and September, wheat deliveries totalled 117,641,000 bushels and the net money value received was $146,444,000. This year 132,909,000 bushels have been delivered in these same two months and the monetary return has shrunk to $82,947,000.

In other words, although actual deliveries to date are 13 per cent higher than a year ago, the return to Canadian farmers has been 43 per cent less than a year ago.

The following table shows clearly the comparative returns during the past ten years, the total wheat delivered in each of these years, and a simple calculation as to the average return per bushel on the basis of these two sets of fiures, in each year:

	Net return to farmers $	Wheat delivered bu.	Aver. price rec'd per bu.
1930-31	82,946,955	132,909,000	62.3
1929-30	146,444,182	117,541,000	124.4
1928-29	130,985,066	158,041,153	85.6
1927-28	48,982,703	43,689,298	112.0
1926-27	78,790,402	66,451,191	118.6
1925-26	112,236,525	98,385,647	114.5
1924-25	46,120,534	37,417,158	123.0
1923-24	68,206,224	86,918,641	78.4
1922-23	85,262,873	104,479,004	81.9

Average Return Halved

Several facts stand out clearly from an examination of this table. In the first place it will be seen that in spite of the fact that the 1930-31 crop is rated as one of the highest both in grade and protein value that the Canadian West has ever harvested, the average price per bushel for the first two months of the year is exactly one-half of the return in the first two months of 1929, and is lower than in any other of the nine years analyzed.

Another interesting fact indicated by the figures is that the Western wheat crop is being marketed earlier each year, the 1930 marketings for August and September having been exceeded in only one year, and in this one exception, (1928) the crop was the largest ever harvested and nearly twice as much as the present crop.

Analyzed by provinces, the Evans figures show that as compared with a year ago the greatest decline in purchasing power at the present time is in Alberta where the net money value received by farmers has declined 53 per cent. The return for the three provinces has declined 43 per cent, which incidentally is the actual percentage decline for Saskatchewan. In Manitoba, the decline has been much less severe, the decrease being only 17 per cent.

Here are the comparative figures by provinces:

Net Money Value from Wheat Marketings in August and September

	1930 $	1929 $	Percentage Decr. in purch. power 1930
Manitoba	18,590.532	22,636,783	17%
Saskatchewan	38,605,078	67,939,956	43%
Alberta	25,751,345	55,867,443	53%
Prairie prov.	82,946,955	146,444,182	43%

Apart from the wheat situation, the substantial decline in coarse grain marketings to date, in face of substantially increased crops of both oats and barley, over 1929, is also of significance to Western purchasing power. Barley marketings to date are only 8,391,000 bushels as compared with 11,325,000 at this time a year ago, while oats marketings are 5,152,000 as compared with 4,322,000 in 1929. This is taken to indicate that on the basis of their present low cash values, the more profitable method of feeding these grains to livestock is being used.

Livestock Marketings Off

This in turn is reflected in the fact that livestock are also being held back, the number of cattle sold on western markets from January to August being only about 60 per cent of the quantity marketed in the same peroid a year ago. Low cash values and ample supples of feed grains are given as the chief reason, as farmers are apparently considering it more profitable to feed their stock over the winter rather than putting the animals on the market in a partly finished condition. Besides the holding back of supplies on the farms there is also a good volume of cattle moving from the stockyards back to the country for feeding purposes.

These indications, together with the fact that some wheat is also apparently being held back at the present time for higher prices, indicates that there will be a heavy movement of cattle from the Prairies in the spring of 1931, with in all probability a good increase in purchasing power at that time.

Return to Normal Many Months Distant

	Canada	United States
Commodity Prices:	September index declines 1.6 points to 82.5.	Weekly indices disagree as to whether upturn has come or not.
Iron and Steel:	Rate of winter production in motor plants still uncertain.	Steel Institute report for September shows 9½ p.c. drop in production.
Foreign Trade:	Wheat shipments from Montreal still only one quarter of 1928.	Further contractions expected in September trade figures.
Employment:	Maritimes feeling pinch of conditions in large cities.	Retail outlets report some resumption of consumer purchases.
Car Loadings:	Current figures show 10.8 per cent decline from 1929 level.	Current loadings slump 21 per cent below 1929 level.
Stock Markets:	Plenty of bargains but continual decline saps public confidence.	Third quarter earnings reports expected to have depressing influence.
Credit:	Plenty of money available to meet fall demands.	Canadian borrowings support otherwise weak bond market.
Trend:	Return to normal conditions not expected till well on in 1931.	Nothing optimistic as yet seen in current business statistics.

Business Now Recovering But Normal Still Far Off

125 Canadian Executives Questioned by Montreal Star Think Conditions Not Improving Until Fall of 1931

Although recovery of Canadian business in under way, the progress of the movement will be so slow that a return to normal proportions will not be perceptible before the fall of 1931, according to the answers received by the Montreal Daily Star to a questionnaire sent to 125 leaders of finance and industry in Canada.

The contraction in the purchasing power of consumers has been considerable, extending, in the opinion of those questioned, to approximately 15 per cent of normal, as indicated by a moving average over recent years.

Production rates in almost all industries have been materially reduced, and the ratios vary considerably. In some widely scattered instances, the normal figure has been cut by 40 per cent, while in comparison to 1929 some of the reductions have been much more drastic. Following this operation has come a healthy reduction in inventories. There are a few exceptions, where an increase was reported in industrial inventories, or unwieldy stocks.

This situation is one which must be considered as distinctly apart from the condition which exists in agriculture. Those outside the agricultural pale do not share the same view and concern as those directly related.

Prices Most Important

The process of liquidation which has been carried to what appears to be an extreme level in the commodity markets leaves the darkest scar on the business movement. Because of the far-reaching effect, several lines of industry will lag several months behind the main current leading to the elusive normal.

A large and hitherto potent market in Western Canada is one which the business eye of the East looks back to with a feeling akin to sorrow. The depressed state of the world's grain markets has so seriously impaired the purchasing power of the western farmer that nothing can be purchased beyond the bare necessities.

Prairie Conditions Grave

An authority on agrarian problems answered: "I regret to say that the Prairie dweller will purchase very little in the immediate future, and there is no sign apparent yet of an improvement in this condition. This will naturally be reflected upon all business in Canada."

An industrial authority, situated in the nerve centre of the grain country, feels that some improvement will be seen in the grain situation about the end of the calendar year, but hastens to state that the recovery will be "very" slow.

The fall in prices for agricultural products has been more sudden and more drastic than for most other commodities, which corresponds with experience in previous periods of price declines. An ultimate adjustment of price relations must be expected, and this is just as likely to come in the form of higher agricultural prices as in declines in other lines. The situation surrounding grain prices holds special reasons for a temporary drop that would be unnecessary to a general decline in prices, and it would be unreasonable to suppose that other price drops would be so severe.

In so far as the western farmer is concerned, there has been some reduction in the prices they pay, but it is far from corresponding with the reduction in farm prices. The fundamental conditions concerning agriculture in this country are not essentially Canadian, but are world conditions affecting world prices and world markets, and this extends to a large part of Canadian business, which directly or indirectly is affected by world conditions. The importance of the export trade has not been stressed to its full realization.

Retail Prices Going Lower

By a record of performance, price adjustments will move in both directions before the decline has been reflected in consumers' prices, according to the weight of opinion in the answers received. That is, raw materials will move upward and retail prices downward, thereby coming into fairly close balance. Retail prices have now started on the declining trend.

The inference to be taken, then, is that business is now nearing the end of that period in which a steadying force is at work, indicating the end of the decline and the start of the upward turn.

Wage reductions have not been as extensive as expected under the circumstances. As pointed out by a leading banker, payrolls naturally have been in line with industrial activity. This industrial index for the first half of 1930 declined 16 per cent as compared with the corresponding period of 1929.

Some Industries Expand

In many branches of industry expansion was particularly marked in the past three years. Foresight, at that time, resulted in the building programmes which will accommodate a reasonable increase for a few years to come. Many of these extensions have yet to bring returns, but may be expected to do so within a comparatively short period.

The managing director of a large western business interested in rural conditions makes the following observation:

"The Canadian packing industry has reason to look forward to considerable expansion of its activities within a comparatively short time, because of the increased feeding of livestock now under way and likely to be undertaken by reason of the low prices which prevail for feed grains. While the greater number of the additional cattle fattened may be exported alive, either to Great Britain or to the United States, additional hogs are likely to be killed in Canadian packing plants. A resumption of export trade in bacon with Great Britain seems reasonably likely within the near future. No new capital will be required to take care of this business, but increased current loans, both to primary producers and to processers, will be necessary."

Details of Questionnaire

The questions asked by the Montreal Star were as follows:

1. Is production in Canadian factories above or below normal, and are inventories normal, above or below normal?
2. Are there Canadian industries in which expansion is definitely planned for the next 12 months, and will the cost be assumed by earnings or loans?
3. How fully has the decline in commodity prices been reflected? (b) Has the drop in these prices been offset by reductions in other lines? (c) To what extent has consumer purchasing power been reduced?
4. Has there been an increase in payrolls since July 1, 1930? (b) Are wage reductions in prospect?
5. How will 1930 business compare with 1929? (b) With 1928?
6. Are fundamental conditions now sufficiently settled or sound to permit of a generally progressive movement of business? If not, what branch or branches of industry require a further period of readjustment?
7. In which industries do you expect to note the first reliable evidence of an upturn, and in which section of the country?
8. When do you expect to see a definite improvement in business, naming the month or quarter?

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	Weekly Latest 1929	Cumulative Jan. 1, to date 1930	Cumulative Jan. 1, to date 1929
C. P. R. Gross earn. (Oct. 7)	$ 4,001,000	$ 4,452,000	$ 223,436,000	$ 158,642,000
C. N. R. Gross earn. (Oct. 7)	$ 4,437,882	$ 5,321,526	$ 172,329,744	$ 207,527,238
Car Loadings (Oct. 4)	70,897	79,432	2,446,882	2,739,170
Stock Index (Oct. 9)	679.0	1125.8	.....	.....
Production—		Monthly		
Pig Iron, tons (August)	57,459	112,528	573,321	730,871
Steel, tons (August)	57,626	120,282	755,043	988,951
Newsprint, tons (August)	202,040	225,870	1,702,881	1,928,251
Automobiles (August)	9,792	14,214	130,665	220,036
Boots and Shoes, pr. (August)	1,542,686	1,854,773	11,730,141	13,082,022
Flour, bbls. (August)	1,547,936	1,607,264	10,192,132	13,042,076
Mineral Production—				
Gold, oz. (July)	170,264	159,262	1,146,499	1,100,292
Silver, oz. (July)	1,999,136	2,409,176	15,222,695	13,755,378
Nickel, tons (July)	4,689	4,038	32,243	32,538
Copper, tons (July)	13,077	10,389	91,345	67,913
Lead, tons (July)	13,109	10,818	99,212	88,356
Zinc, tons (July)	9,968	7,142	71,653	58,606
Coal, tons (July)	1,061,091	1,316,153	8,220,852	10,098,846
Natural Gas, M. cu. ft. (July)	1,304,168	1,349,640	17,232,913	16,830,895
Petroleum, bbls. (July)	122,862	109,033	762,746	578,773
Automobile Financing—				
Used Cars (July)	$ 3,231,748	$ 4,467,581	$ 21,276,478	$ 25,461,651
New Cars (July)	$ 2,617,420	$ 5,179,063	$ 21,785,812	$ 32,246,509
Construction—				
Building Permits (August)	$ 13,817,745	$ 21,582,221	$ 112,762,733	$ 168,894,072
Contracts (Sept.)	$ 32,407,100	$ 46,959,200	$ 359,814,700	$ 441,643,900
Labor—				
Employment Index (Sept.)	116.6	126.8	......	......
Trade—				
Imports (August)	$ 78,173,765	$ 111,630,921	$ 706,038,765	$ 890,203,924
Exports (August)	$ 69,290,228	$ 96,264,517	$ 582,198,228	$ 774,824,517
Imports of Key Products—				
Rubber, lbs. (August)	4,723,000	6,449,000	44,825,806	60,295,915
Cotton, lbs. (August)	3,457,000	5,233,000	54,114,000	89,746,967
Sugar (July)	$ 3,189,797	$ 2,946,808	$ 11,490,567	$ 12,662,004
Petroleum, crude, gal. (July)	92,500,000	114,780,000	584,696,995	533,665,053
Coal, tons (August)	1,800,598	1,883,468	10,812,567	11,307,560
Exports of Key Products—				
Newsprint, cwt. (July)	3,981,195	3,993,344	27,333,264	27,555,312
Automobiles, No. (July)	3,521	7,578	27,121	67,269
Wheat, bush. (September)	27,817,053	7,409,809	124,528,771	151,818,048
Wheat, flour, bbls. (September)	734,349	492,381	5,306,922	7,876,824
Electric Power—Output—				
M. Kilowatt hours (August)	1,402,772	1,444,935	11,716,284	11,424,418
Population—				
Emigration (July)	3,501	5,670	......	35,117
Immigration (July)	8,383	16,465	80,178	117,824
Finance—				
Failures, No. (Aug.)	149	137	1,523	1,440
Failures, Liabilities (July)	$ 2,540,000	$ 2,138,924	$ 28,943,325	$ 23,164,878
Bank Debits (August)	$2,801,605,985	$3,667,069,533	$24,920,761,209	$30,506,538,895
Bond Sales (August)	$ 38,217,845	$ 15,619,237	$ 493,953,205	$ 401,838,385
Insurance Sales (August)	$ 37,061,000	$ 42,468,000	$ 385,652,000	$ 405,286,000
Wholesale Prices (1913—100)—				
General Index (September)	82.5	97.3	......	......
Iron (August)	91.2	93.8	......	......
Cottons, raw	68.8	106.5	......	......
Grains	64.3	109.8	......	......
Live stock	95.5	129.9	......	......

PORT OF MONTREAL HANDLES LESS GRAIN

Situation Much Improved Over 1929 But Still Below Normal

Both August and September grain shipments from the Port of Montreal exceeded the figures recorded for the corresponding months last year, though this fact alone fails to indicate any marked improvement in the situation prevailing throughout this season of navigation. To date, there is a difference of 12,406,364 bushels beween the deliveries of this and last year, and grain receipts at the harbor elevators are lower by over 13,000,000 bushels.

Since the end of July there has been a steady improvement over the situation of last season, and it was expected that the shipment totals might be surpassed before the close of navigation. As was the case last year, September was the poorest month, coming before the new crop commenced to move out.

For the sake of comparison, the monthly deliveries for 1930, 1929 and 1928 (which was the best year in the port's history) are given below:

	1930	1929	1928
May	11,754,979	21,210,126	19,265,231
June	11,169,627	19,808,745	21,355,610
July	12,272,934	14,444,853	23,499,851
Aug.	11,274,077	8,009,182	35,160,744
Sept.	9,154,475	5,999,027	34,615,828
Oct.	....	8,460,286	37,802,396
Nov.	....	8,804,367	36,364,851
Dec.	....	2,074,425	764,198

Total deliveries for 1929 were only 90,694,208 bushels, as against 211,295,379 the previous year.

The grain situation has had a very decided reflection on the amount of shipping entering and clearing. Only 648 ocean vessels have arrived here this season, which compares with 725 in 1929 and 895 during the corresponding period of 1928. Although many passenger and freight liners have been entered inwards, fewer tramp steamers have arrived to load grain.

British Industries Fair Opens Again in February

The next British Industries Fair will open February 16 and remain open until February 27, 1931. The London section of the fair will again be held in the exhibition buildings at Olympia, which are being further enlarged to meet increasing demands for space. The Birmingham fair will be held as usual at Castle Bromwich.

Next year, for the first time, there will also be held concurrently in London a British cotton textile exhibition organized by the British cotton textile industry under the auspices of the British government, and an exhibition of British artificial silk goods organized by the "Drapers Organizer."

Admission to the fair and to the cotton and silk exhibitions is limited to trade buyers. Tickets of admission and further particulars can be obtained on application to the British trade commissioners at Montreal, Toronto, Vancouver and Winnipeg.

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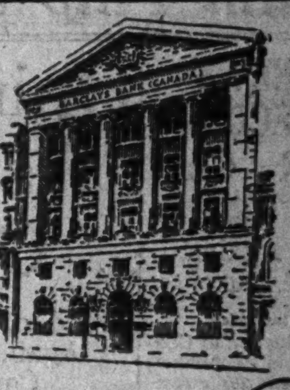

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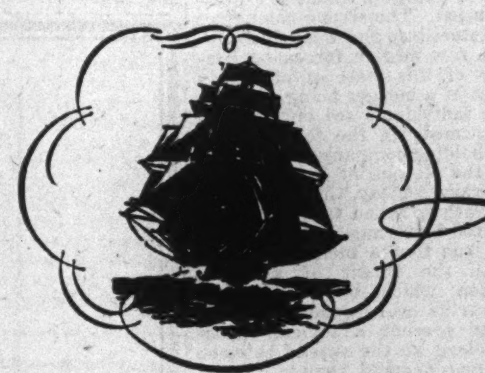

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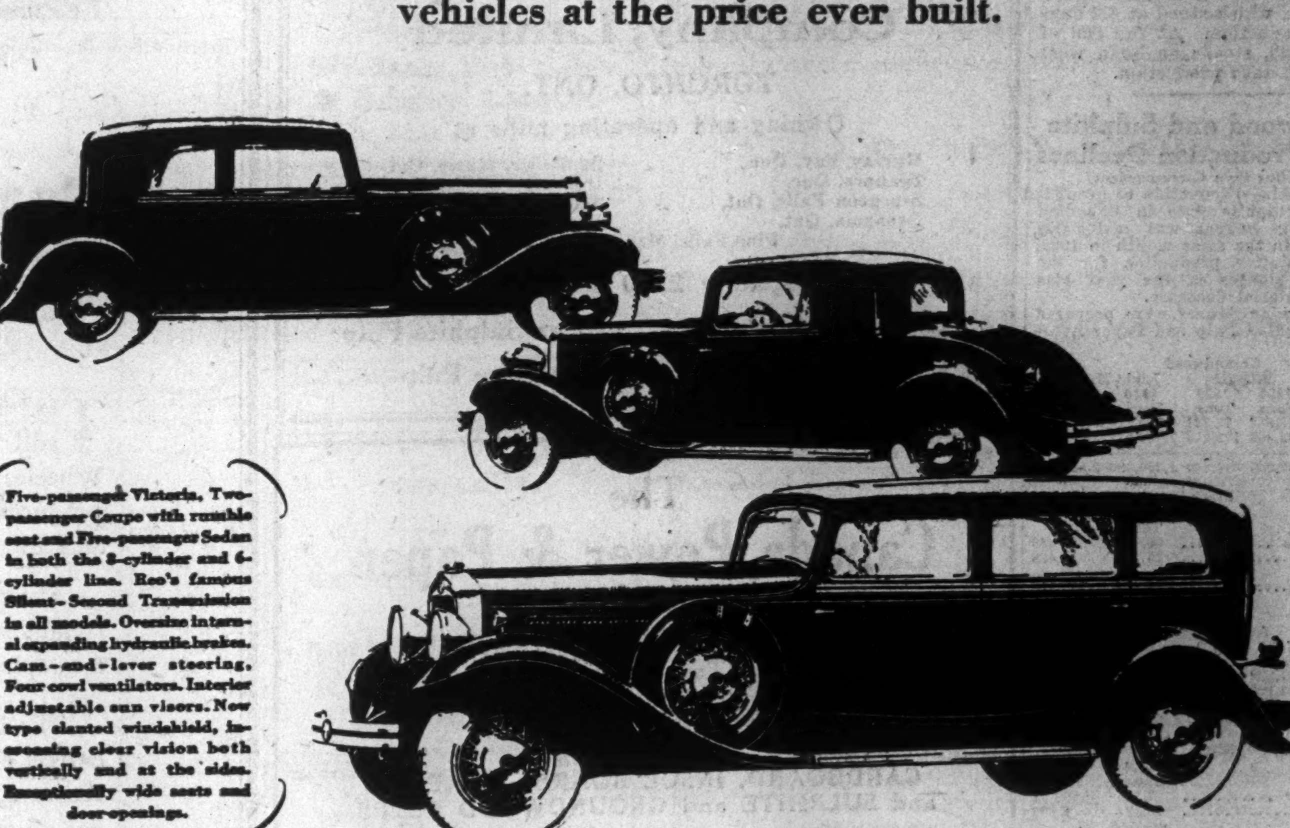

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Canadian Pulp and Paper Industry

OUTPUT OF NEWS FAILS TO RECORD SEPTEMBER GAIN

Canadian Mills Produced 195,490 Tons Against 202,043 in August

From Our Own Correspondent

MONTREAL.—Production of Canadian newsprint mills in September, 1930, scarcely reflected the anticipated seasonal upward swing which usually makes its appearance in that month. Canadian mills manufactured 195,490 tons of newsprint in September as compared with 202,043 in August and 227,665 tons in September, 1929.

According to the figures published by the Newsprint Service Bureau, Canadian mills produced 96,321 tons less in the first nine months of 1930 than in the same period in 1929 which is a decrease of 5 per cent. Mill stocks continue to soar and at the end of September there were 62,492 tons on hand at Canadian mills as compared with 59,007 tons at the end of August.

Shipments in September, though showing a decline from those of August, preserved a better ration to production than was the case last month. Shipments totalled 193,835 in September as compared with 197,870 in the previous month.

Following is a comparison of production and shipments for August and September in the past two years:

	1930 Tons	1929 Tons
Production		
September	195,490	227,665
August	202,043	225,837
Nine months	1,897,560	1,993,881
Shipments		
September	193,835	226,623
August	197,870	224,254
Nine months	1,862,873	1,980,682

At 66.8 of Capacity

During September, Canadian mills operated at 66.8 per cent of capacity which is still rated at 11,700 tons daily. In August they operated at 66.4 per cent of capacity; the slight improvement may be attributed to the fact that there was a holiday in September.

The United States mills showed a more marked decline in production though shipments were fairly well maintained. In September these mills produced 95,261 tons as compared with 101,601 tons in August, while shipments in September were 96,048 against 99,236 tons in the previous month.

United States mills operated at 70.2 per cent of capacity in September as compared with 72 per cent in August and 80.3 per cent of capacity in September, 1929. For the nine months the mills produced 53,663 tons or 5 per cent less than in the same period in 1929.

Production in Newfoundland was 23,767 tons, a slight decline from the August figure but the mills operated at 103.2 per cent of capacity. Production in Newfoundland for the nine months ended September 30 was higher by 25,623 tons or 5 per cent more than in the first nine months of 1929.

Total Output Down

Total production of Canadian and United States mills in September was 290,751 tons. This compares with 303,644 tons in August and 335,820 tons in September, 1929. Shipments were 289,833 tons as opposed to 297,106 tons in August. Shipments in September, 1929, were 334,118 tons.

Combined mill stocks are at a high figure. Stocks of newsprint in Canadian mills totalled 62,495 tons at the end of September and United States mill 30,879 tons making a combined total of 93,374 tons, the highest figure ever reached. The former high point was 92,995 tons in August, 1928.

Stocks on hand, however, were equal to 5.5 days average production which was not as bad as the August, 1928, figure, which stood at 6.2 days average production. At the end of August, 1930, stocks on hand were equal to 5.2 days production.

Groundwood and Sulphite Pulp Production Declines

From Our Own Correspondent

MONTREAL.—Production of groundwood and sulphite pulp in Canadian mills during August was materially lower than in the same month in 1929, while cumulative production for the first eight months of the year also shows a material decrease.

The following figures were prepared by the Canadian Pulp and Paper Association:

Groundwood

	August 1930 Tons	August 1929 Tons	Eight Months 1930 Tons	Eight Months 1929 Tons
U. S.	63,632	72,721	720,214	734,331
Canada	135,463	171,679	1,080,312	1,289,382
Total	199,095	244,400	1,800,526	2,023,713

Stock

	1930 Tons	1929 Tons
United States	80,641	89,688
Canada	17,786	12,426
Total	98,427	102,114

Sulphite

	August 1930 Tons	August 1929 Tons	Eight Months 1930 Tons	Eight Months 1929 Tons
U. S.	31,869	40,053	283,580	309,641
Canada	44,196	64,265	478,053	478,053
Total	76,065	104,318	761,633	787,697

Stock

	1930 Tons	1929 Tons
United States	7,585	7,551
Canada	12,024	6,826
Total	19,609	14,377

Move Surplus Pulpwood to Sault Ste. Marie Mill

From Our Own Correspondent

MONTREAL.—A slight increase in pulpwood movement is reported in the district of Blind River, Ont., as a result of the movement of wood from its Espanola mill to Sault Ste. Marie by Abitibi Power & Paper Co.

There is a large surplus of wood at Espanola which, it is reported, will require about six months to transfer to the Sault mill. This is now being done at the rate of about 100 car loads a week, the loading operations giving employment to about 50 men at Espanola.

With the exception of this work the mill is closed down and a portion of the workmen previously engaged have been given employment at the power construction job at Abitibi Canyon.

Ottawa Population Grows

Ottawa's population increased by 2,836 persons during the last year to reach a total of 127,332, according to the Board of Control. The assessment this year on real property, business and income was shown at $159,242,271, an increase of $4,917,758 over the previous year.

Opinions are Divided As to Potentialities Of Paper Merger

Trend of Thought Grows Against Benefits of Consolidation

SEEK OPEN MARKET

Observers See No Good in Hindrance to Operation of Free Market

From Our Own Correspondent

MONTREAL.—Reports that negotiations continue toward the formation of a super-holding company in the newsprint industry are regarded with mixed sentiments. In some quarters it is felt that a merger of leading producers would strengthen the outlook for the industry; in other words there is a growing opinion that any attempt to control production and price of newsprint will defeat its own ends.

It is pointed out by individuals who have studied the industry that the situation which exists in the wheat market, following an attempt to obtain higher prices, may become apparent in the newsprint industry if a similar attempt is made to obstruct the operation of a free market.

Many are inclined to the view that the newsprint market must be regarded in international terms and that in this light any steps which may be taken to hinder an open market must inevitably lead to difficulties greater than those which exist today.

Comprehensive Merger

The companies which are reported to be sitting in on negotiations are Canada Power & Paper Corp.; Abitibi Power & Paper Corp.; St. Lawrence Corp.; the Backus-Brooks interests and the Canadian mills of International Paper Co.

If these companies formed an alliance their combined output would comprise a majority of the newsprint produced in Canada. Their mills, in fact, have a rated capacity of well over 7,000 tons daily as compared with a total Canadian rated capacity of 11,500 tons. To this must be added the operation of one machine of James MacLaren Co. which recently came into production with a capacity of 125 tons daily.

B. C. Begins Fight

In British Columbia a definite fight for markets has begun. Powell River Co. is reported to have cut its prices to $58 a ton as compared with $63.50 previously in effect. Developments in this territory will be watched with interest as it is an indication as to what may happen among the eastern producers. Former agreements as to price in B.C. are understood to have gone by the board and a free market for newsprint appears to be developing in that region.

Attempts to control production in Eastern Canada so far have not met with much success. Formation of the Newsprint Institute resulted in the institution of a pooling arrangement which has been instrumental, in part, in bringing about the present situation. The strong companies have bolstered up the weak; proponents of a free market forecast a continuance of this state of affairs in the event of a merger being effected.

These individuals see only a temporary remedy in the formation of a super-holding company. The formation of the Newsprint Institute was a temporary remedy, they point out, and as such it failed to bring about the desired betterment in prices.

It is true that a merger will not eliminate the threat of potential production which in itself is as dangerous as over production. Idle machines present a difficult problem; as long as the spread between supply and demand remains at its present ratio, Canadian mills cannot operate at capacity. Idle machines today nullify any betterments which may arise in the future through an increased demand for newsprint.

Further, there are new machines in process of installation. James MacLaren recently brought one into production; another is waiting to be turned over at the new mill. New Brunswick International Paper are installing additional tonnage; Mersey Paper may add another machine to its equipment, while further developments are being made on the Pacific Coast.

In normal times the gradual increase in consumption would take up the slack which exists between supply and demand and, in turn, would lead to higher prices in newsprint.

Producers might be able to struggle along until better times. But such an increase in demand is not expected immediately.

August figures showed that Canadian mills operated at 66.4 per cent of capacity in that month. Figures for September have not yet been published but little improvement, if any, is anticipated. Even at this rate of operation there is little profit for the manufacturer at present prices.

Newsprint executives are undoubtedly seeking to prevent a price-cutting war. The trend of recent events forecast the possibility of price-cutting and the resignation of Col. John H. Price from the Newsprint Institute and his subsequent statements indicated that his company at last was prepared to go after business at its own figure.

If a price-cutting war did develop, what would be the result? One might expect the low cost producers to operate their mills at capacity, though prices were lower. On the other hand, high cost mills would find themselves in an awkward position and highly capitalized companies might feel the pinch severely. A price-cutting war would probably lead to a survival of the fittest instead of the pace being made by the slowest member of the industry.

Proponents of the two conflicting opinions on the newsprint situation both base their ideas on what they hold to be sound premises. Those upholding the merger have in mind the preservation of the companies now in existence and the saving of those from a situation which might lead to their corporate destruction. They feel that the merger might place the component companies in such a strong position that their future under any conditions would be assured.

The other school of thought is of the opinion that a free market for any commodity is essential and any attempts to hinder its functioning must end in trouble, greater, perhaps, than those which presently confront the newsprint industry.

Receives Honor

E. W. CARPENTER, has been elected secretary of the Toronto chapter of the Canadian Society of Cost Accountants and Industrial Engineers. Mr. Carpenter is cost accountant of De Forest Crosley Ltd.

I. P. WILL DEFER "A" SHARE PAYMENT SAVES $2,391,028

Dividends Have Made Inroads Into Surplus in Past

MONTREAL.—Depressed conditions in the pulp and paper industry are held responsible for the suspension of the dividend on the class "A" shares of international Paper and Power Co. It is pointed out by the management that the expected growth in earnings from power development, and increased efficiency of paper mills has been realized, but this has been offset by prices and volume of paper and pulp sales in the past six months.

Suspension of the dividend will enable the company to conserve $2,391,028, the sum disbursed each year on the stock, in the form of dividends of $2.40 a share.

Earnings have never been sufficient to meet the dividend requirements on the "A" shares after charges have been made for depreciation. Accordingly, payment has made substantial inroads into surplus. Profit and loss surplus was reduced from $15,069,331 at the end of December, 1929, to $11,894,727 at June 30, 1930.

Despite the fact that dividends on the class "A" shares have been passed, there has been little reflection in the market for the 7 per cent preferred stock which is still quoted around 49. At this price the yield is over 14 per cent.

In some quarters it was thought that passing of the class "A" dividend might act as a stimulant to the preferred, but present prices indicate that there is some doubt in the minds of investors as to whether the company will continue payment on its preferred.

The preferred disbursement has not been earned to date, after the usual heavy charges have been made for depreciation. Net profits in 1929 were $4,011,762 and dividend requirements on the 7 per cent preferred were $6,371,519.

In the first six months of the current year net profits were $1,271,111 and dividend requirements on the preferred were $3,236,555. This was a decline as compared with net profits of $1,408,064 in the same period in 1929.

Ville LaSalle to Pay Trams for Extension to Service

From Our Own Correspondent

MONTREAL.—Ville LaSalle has agreed to pay Montreal Tramways $10,000 annually in consummation of a new contract whereby the company will give an improved tram and bus service to the town. The existing tramcar line will be extended from the present terminal at the Verdun-Ville Lasalle limits to fourth avenue as soon as LaSalle boulevard is widened.

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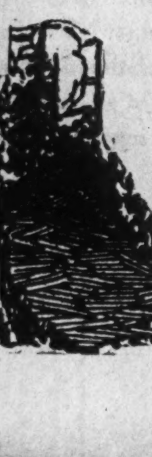
J. Wallace Tower, Member A.S.C.E., A.S.M.E.
Pulp and Paper Mills — Power Developments

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que. — Sault Ste. Marie, Ont.
Beaupre, Que. — Iroquois Falls, Ont.
Sturgeon Falls, Ont. — Smooth Rock Falls, Ont.
Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

The Canada Power & Paper Corporation
Total Daily Capacity of Plants:
2,464 Tons of Newsprint
130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc. — Annual Capacity of 25,000,000 F. B. M.
Successor and Operating Company of
Belgo-Canadian Paper Company Limited, Shawinigan Falls, Que.
St. Maurice Paper Company Limited, Cap de la Madeleine, Que.
Laurentide Company Limited, Grand'Mere, Que.
Laurentide-Ottawa Company Limited, Pembroke, Ont.
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited, Quebec, P.Q.


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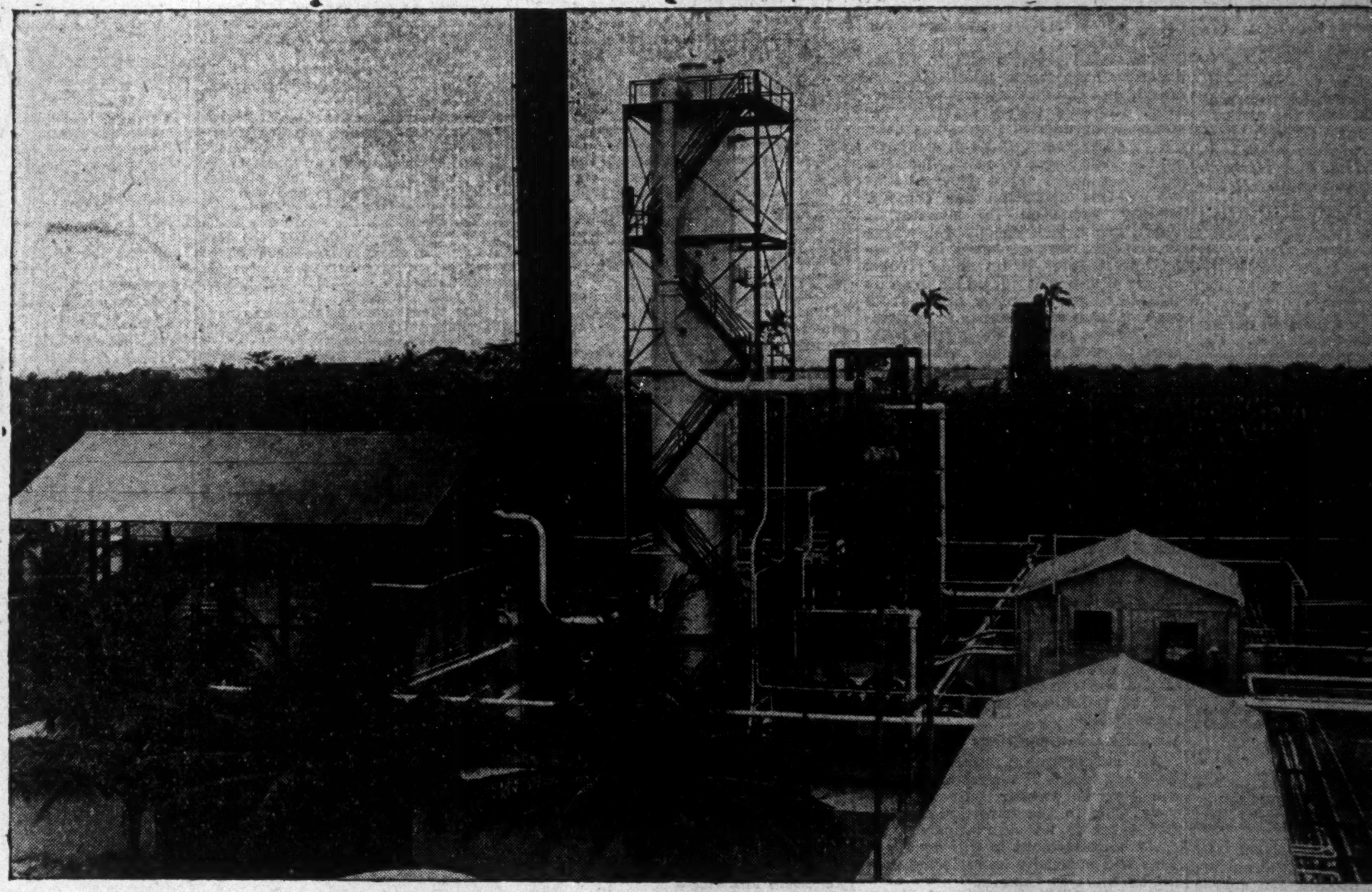

Foster Wheeler Refinery Unit at Trinidad, which has the capacity to handle 7,000 barrels of Trinidad crude per day. The Canadian built tube still at the left is fired with Petroleum Coke by means of an Aero pulverizer.

Canadian Built Refinery Unit for Trinidad

THE accompanying photographs illustrate the tube still and fractionating equipment of a Foster Wheeler refinery unit erected in Trinidad. This was produced by Foster Wheeler Limited at its shops in St. Catharines, Ont.

The tower was shipped in sections, each Canadian freight car carrying two or three. Each section occupied a complete freight car on the local Trinidad railroad.

The refinery unit has a rated throughput of 7,000 barrels of crude per day. The products continuously recovered to specification include gasoline, kerosene, gas oil and fuel oil.

Foster Wheeler Limited has outstanding installations abroad as well as in the Dominion. They are conservatively guaranteed to give specific results and the guarantees are usually exceeded.

Foster Wheeler fractionating tower being transported from dock to refinery in Trinidad. Three Canadian car loads of tower, after unloading in Trinidad, become a full trainload.

Foster Wheeler equipment includes:
Aero Unit Coal Pulverizers
Air Preheaters
Boilers
Condensers
Cooling Towers
Diffusers
Evaporators
Feed Water Heaters
Fuel Economizers
Harmor Dryers
Heat Exchangers
Marine Boilers
Oil Fractionating Towers
Penstocks
Pulp and Paper Mill Machinery
Pulp Screens
Rotary Dryers
Steam Superheaters
Steam Jet Air Pumps
Tube Stills
Tanks
Water Cooled Furnaces

FOSTER WHEELER LIMITED
Canadian Pacific Railway Bldg. TORONTO
Canada Cement Co. Bldg. MONTREAL
Works: ST. CATHARINES, ONT.
FOSTER WHEELER

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Canada Steamships

I have been advised to buy the bonds of Canada Steamship Lines. I already have some other bonds, but cannot make up my mind regarding this purchase.

The 6 per cent bonds of Canada Steamship Lines offer good security, though earning power of the company is not what it might be at present. As you know, the decline in grain shipments has made inroads into earnings; passing of the company's preferred dividends, however, should strengthen its position. Given a resumption of normal traffic conditions on the Great Lakes, Canada Steamships should do better; we think the bonds might be included in a well diversified list of securities.

Power Corp.

I would be much obliged if you would advise me of your opinion of the debentures of Power Corp. 5 per cent. Did the company do well last year?

Power Corporation, through its subsidiaries, is steadily widening its scope of operations and it should make good progress in the future. Earnings in the last fiscal year ended June 30, 1930, were satisfactory and the 5 per cent debentures of the company should prove a sound investment. Further, the conversion privilege which attaches to the debentures may prove valuable.

Can. Celanese

Please give me your opinion of the preferred stock of Canadian Celanese, Ltd. Have you any figures available on earnings during the current year?

Canadian Celanese has been steadily strengthening its position during the current year, and improvement in earnings has been witnessed by the declaration of a dividend of 3½ cents on the preferred stock. We understand that the company's plant is working at capacity, and that plans have been laid for an extension to existing facilities. No figures have been published regarding earnings during the current year, but it may be assumed that they have shown material gains since the management has seen fit to make a disbursement on the preferred.

The preferred shares must still be regarded as somewhat speculative until the company's earning power becomes more definitely established. An investment in this light presents some attraction.

Fraser Companies

Would you recommend the first mortgage bonds of Fraser Companies as a sound investment at present prices? I have considered the security with a view to making a moderate commitment.

Bonds of Fraser Companies cannot be regarded as a sound investment at the present time. Too rapid expansion, coupled with adverse business conditions, weakened the company's position materially and earnings in 1929 were not sufficient to meet all interest charges, after depreciation. There is security behind the issue but the company is lacking in earning power at present.

Canadian Pacific

I have invested quite a large sum of money recently and have a balance of nearly $1,000 available for the purchase of a sound stock. I am seeking a yield of over 5 per cent. What do you think of C. P. R.?

At present prices you can purchase Canadian Pacific Railway stock to yield about 5.50 per cent. Though the company's operations have been hampered this year by the unprecedented situation in the grain market, earnings are beginning to show improvement, while the outlook for the long term is excellent. The stock is one of the leading investments and we think you might consider this as a medium for the investment of the balance of your funds.

B. C. Power Corp.

My investment portfolio contains a small block of British Columbia Power "A" shares. I notice that earnings were not very encouraging last year; what do you think of the future?

British Columbia Power Corp. "A" shares can be regarded as a sound investment. Though the company's earnings were affected by a shortage of water last year, this situation should be eliminated in the future by completion of additional hydro-electric plants now nearing production. Earnings during the current year are on an improved scale and a steady progress of the company in the future may be anticipated.

Gen. Steel Wares

Among my holdings are some preferred shares of General Steel Wares. How is the company getting on and what do you think of this stock?

The preferred shares of General Steel Wares are not particularly impressive. The company has not made the progress that was expected of it and it is doubtful whether earnings are sufficient to meet preferred dividend requirements. There has been no intimation, however, that the dividend will be passed. General Steel Wares should benefit by the new tariff regulations and its outlook is somewhat improved.

Borden Co.

I have read a good deal about the activities of the Borden Co. in The Financial Post; do you think the stock would make a sound addition to my present holdings which are fairly well diversified?

At current prices the shares of Borden Co. are considered fairly valued in relation to earnings, yield and outlook. Owing to an anticipated continuance of the progress registered over a long term of years, we think that a commitment in this stock is warranted. The company has expanded its operations materially in the past year, and indications are that profits should be moderately larger than in 1929.

Acadia Sugar

In view of the difficult times in the sugar industry, I have been wondering if Acadia Sugar would be able to earn its bond interest this year. What is your opinion?

Conditions in the sugar refining industry are not encouraging and the outlook for any immediate improvement in operations of Acadia Sugar Refining Co. is remote. The company, however, has demonstrated its ability to earn its bond interest under adverse conditions and we do not think the company will fail to earn interest charges this year.

Famous Players

I understand that I can exchange my shares of Famous Players Canadian Corp. for those of Paramount Public Corp. Do you think this would be a good plan, and if so, why?

We think that the exchange of Famous Players Canadian Corp. shares for those of Paramount Publix Corp., might be advisable. One of the main reasons for this is the wide distribution and active market which exists for shares of Paramount. The majority of Famous Players' shareholders have exchanged their stock for that of the American company with the result that trading in Famous Players on the Montreal Stock Exchange is not overly active. Further, Paramount Publix is one of the leading companies in the indusry it serves, and its operations now have an international scope. The shares should be quick to reflect an improvement in business conditions as well as any new developments which may arise in the motion picture industry.

Canadian Industries

I hold some common shares of Canadian Industries, Ltd. I am anxious to make some further commitment in other stocks and am considering selling my holdings. Would you advise this or would it be better to use the stock as collateral?

The common shares of Canadian Industries, Ltd., are attractive and we would not consider disposal of this stock. The company occupies a strong position, it has a sound report and the expansion which it is continually carrying out augurs well for the future. If you are going to use this stock as collateral for further purchases, we would advise you to be conservative in your commitments at the present time.

Abitibi

Among my holdings are some preferred shares of Abitibi. The outlook for newsprint manufacturers does not look encouraging at present and I am anxious to know how you regard this preferred stock.

Abitibi Power & Paper preferred should prove satisfactory. Though the situation in the newsprint industry for the past year has been unsatisfactory and present conditions are unsettled. Abitibi occupies a strong position. Its mills, for the most part, are low-cost producers, while its capitalization bears a satisfactory relation to its earning power. The price of newsprint is low at present, but Abitibi demonstrated that it was able to earn its preferred dividend last year. Given an improvement in prices, the company should do well in the future.

Dryden Paper

Would you consider the bonds of Dryden Paper Co. a satisfactory investment? Do you think the company will be able to earn its bond interest in face of conditions in the kraft market?

Dryden Paper is maintaining its position in face of difficult conditions in the kraft market The company has made progress in the past few years, and earnings should be ample to take care of bond interest requirements.

Canadian Bakeries; Western Steel

I have ten shares of Canadian Bakeries first preferred and am advised by broker to sell and re-invest in Western Steel products preferred. What would you advise?

As to the comparative merits of Canadian Bakeries first preferred and Western Steel Products, earnings of the last few years favor Western Steel Products, Ltd. The first preferred stock of that company in 1929 earned $51.20, while $6.50 was paid, and in 1928 the earnings on preferred were $9.74, while $3.25 was paid. On Canadian Bakeries first preferred, $7 a share has been paid regularly since 1925, while the earnings respectively have been as follows: 1926, $17.43; 1927, $18; 1928, $18.75 and 1929, $26.97. Canadian Bakeries, however, is an older company and the stock, therefore, should be considered better seasoned.

Western Steel Products preferred has sold as high as $96½ and as low as $90 in 1930 and is currently selling at $93. Canadian Bakeries preferred stock has sold at $99 and as low as $93¼, while present sales are at $95. The market does not yet regard the value of these stocks as much different.

Your broker has probably had in his mind recent changes in Maple Leaf Milling Company of which James Stewart of Winnipeg was also president. Mr. Stewart and Mr. Riddell have resigned from this and other companies. The fiscal year ended August 31, and it would appear that the only way in which one can act with knowledge is to await the annual report which should appear about October 15.

International Nickel

Having $2,000 to invest, would you advise me to buy International Nickel, International Petroleum or Imperial Oil?

In your position we would prefer the purchase of International Nickel to the other stocks mentioned by you if the purchase is made from 18 to 24 for a hold, ignoring any intermediate fluctuations in market valuation or in earnings of the company.

Common Stockholders Are Real Proprietors

Tendency to Issuance of Non-Voting Shares Capable of Abuse—Investors Must Study This Feature

This is one of a series of articles written for Canadian investors and designed to deal with the subject of investment in fairly elementary fashion. The last article dealt with preferred stocks and this one discusses common stocks.

ARTICLE THREE: COMMON STOCKS

The common stockholders of a company are the real owners of the company and all its property. After making allowance for all the company's ordinary business debts, after making allowance for any bonds, mortgages and bank loans outstanding, and after making provision to redeem the preferred stock at the fixed and limited value set for redemption on that stock, they are the owners of all that is left and in the event of the winding up of the company they would receive anything that was left. It would be divided among them equally, each share of common stock ranking the same as every other share of common stock and the total residuary assets being divided into as many parts as there were shares of common stock outstanding.

It is not often that companies are wound up. Sometimes they are wound up legally in connection with mergers, etc., but usually in such cases, the assets are sold to another company in exchange for so many shares of the new company's stock and these shares of stock are then distributed to the stockholders so that there is no need to dispose of the physical assets, collect the bills receivable, pay the debts and distribute the cash to the security holders. To all intents and purposes the shareholders pay no attention to the winding up of their company in a case like this.

Two Recent Winding-Ups

Most actual cases where a company is wound up are due to its failure to make good and in such cases the amount left for the common stockholders is often, and one might well say, usually, nothing.

Recently, however, when Dominion Power & Transmission Co. sold all of its assets to the Ontario Hydro-Electric Commission for a fixed sum in bonds and even earlier when the Toronto Railway Co. sold the major portion of its assets to the City of Toronto it was necessary to wind up the companies. It took several years to clean up the Toronto Railway liquidation and it will be a long time before common stockholders of Dominion Power & Transmission Co. receive the last of the sums due to them.

As we expect companies to stay in business, the chief feature of the common stock is that to it accrues the benefit of all earnings after the senior issues have been looked after. It will be readily apparent that in most companies there will be wide fluctuations in earnings from year to year as prosperity rises and falls. As the payments to bondholders and preferred stockholders are fixed amounts, the earnings available for the common stockholders will vary in an even greater degree than the total earnings of the company. Let us take the case of a company making gross earnings, after depreciation and taxes of $2,000,000 a year, and where the bond interest and preferred stock dividend takes $1,000,000 a year. This leaves $1,000,000 for the common stockholders. If earnings should increase by 25 per cent, or to $2,500,000, the bondholders and preferred stockholders would not be entitled to any more but the common stockholders would have earned $1,500,000. The increase of 25 per cent in gross earnings became an increase of 50 per cent in earnings available for common stockholders. On the other hand, if earnings fell by $1,000,000 there would be nothing left for common stockholders.

Buy Successful Stocks

The common stock of a successful company is likely to prove very popular; the common stock of an unsuccessful company is not likely ever to have any value at all. The investor is most interested in the stocks of established companies with proven earning power and, in the common stocks of such enterprises, a wide range of investment merit is to be found.

Most corporations have only one class of common stock, but of recent years there has been a tendency for many companies to issue more than one class of stock. Usually the different classes of stock are designated as class "A" stock and class "B" stock, but it is important to differentiate class "A" and class "B" common stock from class "A" and class "B" preferred stock, discussed in the last article. In most cases common stock is divided into two classes for the purpose of enabling some control to be continued over the management either by the group which is in control of the affairs of the company or by someone else. Ford Motor Co. of Canada, for instance, has class "A" and class "B" common stock outstanding. There are 1,500,000 shares, roughly, of class "A" stock issued and 70,000 shares of class "B" stock. All of the shares, both class "A" and "B," share equally in dividends and on the winding up of the company would have equal value. But only the class "B" stock has voting power at the annual and special meetings of the company. It is obvious, then, that the ownership of 51 per cent of the class "B" stock outstanding would ensure the control of the company as the owners of the class "A" stock have nothing to say about its management or policies. Actually, in the case of Ford Motor Co. of Canada this control is further ensured through the operation of a voting trust which need not be described here.

Takes Little to Control

Another example of the issuance of class "A" and class "B" stock to ensure voting control and continuity of management is seen in the case of Rogers Majestic Corporation Ltd. This company has 115,000 class "A" shares outstanding and about 10,000 shares of class "B." The two stocks rank equally as to assets and dividends, but the class "A" stock is non-voting and the class "B" stock has the sole voting right. Thus, the group in control of the company's affairs needs to own only a little over 5,000 shares of class "B" stock, or about one-twenty-fifth of the total amount of stock outstanding, to ensure themselves of absolute control of the corporation.

It may be questioned if the tendency to the issuance of non-voting stock is thoroughly fair to the investor. Common stock is supposed to represent ownership in the corporation and it would seem that every share of such stock should share equally in voting on matters of policy, the election of those who are to run the company, etc. Over a long term of years the stockholders have shown themselves largely indifferent to the voting privileges, leaving it to those in control of the company to perpetuate their own control and management, and giving proxies to the controlling group without question. Usually voting privileges have been regarded by investors seriously only when a company got into difficulty or a serious attempt was made by a group in opposition to the management to acquire control of its affairs. The introduction of the non-voting common stock has been effected with practically no protest from the general investment public.

This recent tendency to issue voting stocks that enable a small group with a moderate cash stake in the company to control and manage its affairs has gone so far as to create abuses, and investors generally should study common stocks they buy to know just what rights they have.

When Women Invest

A WEEKLY FEATURE

Why Let Well Enough Alone?

Were you not ultra-conservative in your reply last week under the heading, "When Women Invest," when you advised a widow with $60,000 invested in Dominion, provincial and municipal bonds, not to dispose of $10,000 worth of bonds in order to acquire Massey-Harris, Brazilian, Imperial Oil and Dominion Bridge common stocks?

As she could still live on the income from the $50,000 still invested in bonds, I think she, if anybody, would be entitled to take whatever chance there is in buying such stocks as those mentioned at today's prices. It would give her an added interest in life, and I think there is good basis for her hope or belief that these stocks may in five years be selling at twice their present levels. In the end I believe her revenue from the common stocks mentioned would be much greater than if she keeps it all in bonds.

If she waits for the adverse factors which you refer to, to clear up, it will be too late for her to get the full advantage of buying now. We all believe Canada in a year or two will be going as strongly as ever. Well, if that is so, will not Massey-Harris, Imperial Oil and Dominion Bridge be sharing in that growth? And as for Brazilian the rebellion is not likely to damage their property, much if at all. There are 40,000,000 people in Brazil and Brazilian Traction has the most populous districts in its territory. Coffee cannot stay down forever, the country is turning to other things, and I think this stock too will justify those who buy it now.

Your confidence in the future of all these companies is shared by us. These companies have the best of captains and pilots to guide them through adverse business periods toward the good times which always come again. Because, however, every adverse period of business collects some victims it is the duty of a financial adviser to mention adverse factors met by any company even though he believes that the companies can weather very bad times successfully.

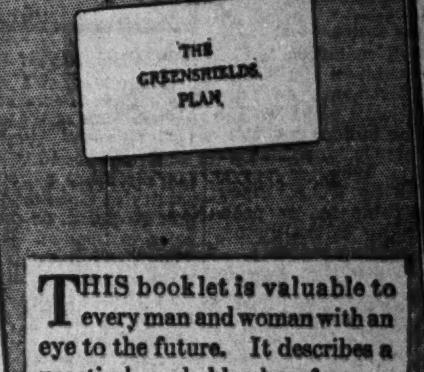
Men and women, with enough to live on, doubtless show both courage and enterprise in buying stocks of well financed companies such as those referred to in your letter and that of the widow whose question was answered last week. Our answer to the letter of the widow was based on clinical memories and not on fears for the company mentioned. The hazards are there as they are for the Swiss guides who year after year without harm to themselves take parties to climb difficult mountains. We believe with you that such companies are under strong and experienced guidance and that their stocks should return to and eventually surpass old high market valuations. That is a well-founded opinion, not a certainty.

Four years ago a widow, similarly situated to the widow referred to by you, thought she would like to take a flier in common stocks while retaining enough money in bonds to live on. She took good advice and her first investments proved profitable, being at the beginning of an upward trend. She found that she had increased her principal materially. She re-invested not only the money thus gained but sold out some more of her bonds and reinvested this new money in stocks. Eventually she had all her money in stocks and none in bonds. Wtih the going of the years she showed a greater and greater tendency to take chances, and luckily took a sufficient loss last year before the big break came to scare her out of many of her stocks. Still her principal is about half what it was.

Now, this widow was an intelligent woman just as was the inquirer of last week. The latter showed real judgment in her choice of stocks and in her willingness to give them a term of years to work out her hopes for them. If she would stay by her present idea to limit her commitment to $10,000, no harm would be done and in five years, more or less, she might see her capital considerably increased. The next five years will see great social and business and industrial changes well advanced. We are not living in a static world. The trends favor these companies, we believe, but the widow has now $60,000 invested in securities which will probably retain their present value to her no matter what happens.

If the investment in bonds was made by herself, then we feel that she is sufficiently conservative to put $10,000 into stocks. If it were made by her husband, he had evidently in mind the creation of a fund which would be as safe as it could be made and provide a steady and dependable income. We hesitate to recommend a policy which, however admirable for yourself, might be departing from the original intention of the fund.

At the same time we told the widow that there were attractive speculative possibilities to the hold she suggested. We feel, therefor, that, under the circumstances, she was well advised, and that she was intelligent enough to decide for herself, once the present adverse factors were mentioned, whether or not she would take whatever chances are involved in order to reap the advantages she expects. Our advice in this case was based entirely on the view that the greatest safety would be found by the widow in making no change.



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OGILVIE EARNINGS DOWN 50 PER CENT IN DIFFICULT YEAR

Investment Account and Working Capital Show Improvement

From Our Own Correspondent

MONTREAL.—A reduction of $1,254,,605 in net profits, an increase of $1,890,580 in investments and appearance of bank loans at $1,962,148 are features of the annual report of Ogilvie Flour Mills Co., for the year ended August 31, 1930, a period which is regarded by W. A. Black, president of the company, as probably the most trying in the history of the Canadian milling industry.

Despite the drastic decline in profits, earnings on the common stock were equal to $13.16 a share, which was sufficient to meet the needs of the regular dividend of $8 a share and a bonus of $5 a share which was declared in September. In the previous period, per share earnings were $29.88 and a bonus of $17 a share was disbursed in addition to regular dividends.

Following are profit and loss account figures for the past two years:

	1930 $	1929 $
*Net profit	1,127,136	2,381,741
Dividends	1,115,000	2,015,000
Surplus	12,436	366,741
Prev. bal.	3,144,713	2,777,971
P. & L. bal.	3,157,149	3,144,713

*After deducting depreciation and bond interest.

Investments are Higher

There are two noticeable changes in the balance sheet. Investments are now carried at $12,215,650 as compared with $10,325,070 in the previous year, while it is pointed out that despite the recent decline in security values, investments still stand on the books at a substantial figure below present market quotations.

The other noteworthy feature is the appearance of bank loans amounting to $1,962,148 in liabilities, an item which has not made an appearance for many years. Working capital at $11,298,285 shows a moderate increase as compared with $11,132,919.

In assets, cash stands at $171,899 as compared with $510,626. Accounts receivable show an increase of about $11,000 at $2,693,591. Inventories are lower at $1,034,117 as opposed to $1,793,341 and the depreciated value of fixed assets is $3,708,863 as compared with $3,861,793. Goodwill is still carried at $1.

Accounts Payable Lower

In liabilities, accounts payable at $2,259,275 show a reduction of about $424,000. Accrued charges, representing bond interest and dividends, are lower at $595,250 as compared with $1,495,250, representing the reduction in the bonus distributed on the common stock which amounts to $5 a share as compared with $17, a share last year.

Bonds, preferred and common stock show no change and rest account is still carried at $5,000,000. Following routine business, in which directors and auditors were re-elected for the ensuing year, W. A. Black, president of the company, said to shareholders, at the annual meeting:

"During the year additions were made to the company's warehousing facilities at Montreal and Fort William, and the various milling plants were maintained in first-class condition.

"The past season was one of the most trying in the history of the company. The excessive price at which Canadian wheat was held during the fall and winter of 1929-1930 made it impossible for Canadian mills to compete successfully in foreign markets, and the drastic decline in prices which followed during the summer of this year caused serious loss to those carrying stocks of flour and grain.

"The crop this year will probably exceed that of last year by 100,000,000 bushels and is grading very high in quality.

"Unfortunately, values of all grains are lower than they have been for many years past, which will bear very hardly on farmers in areas where the yields were small.

"With our wheat prices now more in conformity with world markets, there has been some improvement in export business, but the higher duties imposed by importing countries on flour as compared with wheat, coupled with vexatious importing regulations, and high ocean rates, are still interfering with a good demand for the product of Canadian mills."

PARAMOUNT CORP. DIVIDEND EARNED IN FIRST 9 MONTHS

Profits Reflect Expansion Undertaken in Past Twelve Months

From Our Own Correspondent

MONTREAL. — Shareholders of Famous Players Canadian Corp. who exchanged their stock for that of Paramount Publix Corp., will be interested to hear that earnings of Paramount Publix for the first nine months of the current year have shown increases and that the dividends for 1930 have already been earned. The stock is on a $4 basis.

Earnings on the 2,948,397 average number of shares outstanding during the nine months period to September 27, 1930, were equal to $4.59 a share, compared with $3.67 a share last year on the 2,647,327 shares then outstanding.

Consolidated net profits to September 27, including earnings of subsidiary companies, which, of course, includes Famous Players Canadian Corp., were $13,541,000 in the first nine months or 39 per cent above the consolidated net profits of $9,731,000 reported in the corresponding period of 1929.

Outlook Encouraging

The outlook for the third quarter is encouraging since the last three months of the year are generally regarded as the most prosperous in the motion picture industry.

Earnings in the three months ended September 27, were 11 per cent in excess of those of the similar period in 1929. Earnings equalled $1.60 a share as compared with $1.74 in 1929, due to an increase in the number of shares outstanding during the quarter.

The majority of Famous Players Canadian Corp. shareholders exchanged their holdings for those of Paramount Publix on the basis of 5 Famous Players for 4 Paramount.

An Audit of Canada

One of a Series of Frank Discussions of the Future Development of the Dominion

By FLOYD S. CHALMERS

ARTICLE FIVE: QUALITY AND GRADING FACTOR IN SUCCESS

This is one of a series of articles in which the fundamental position of and the outlook for various Canadian productive activities is being surveyed. The first articles in the series deal with agriculture and other branches of Canada's wealth sources will be taken up in turn.

Every pound of butter shipped from Denmark to the London, England, market bears a mark that is just as much an assurance of standardized quality as the trademark on a tin of Fry's cocoa, or on a cake of Fleischmann's yeast, or on a pound of Salada tea. Danish butter draws the top price in London. To quote a report of the Imperial Economic Committee: "The two outstanding characteristics of Danish butter, which have enabled it to establish a strong position in the United Kingdom market, are the regularity of supply during the whole year and the uniformity and excellence of quality." And the same report stated: "Denmark is a conspicuous example of the triumph of human endeavor over natural disadvantages... Her success had been won by hard work, organization, and the application of science to industry."

Must Raise Our Standards of Quality

Those who have given serious thought to the future of agriculture in Canada are determined that Canada must give the utmost attention to the improvement of the quality of our farm products, to their standardization, and to giving them authentic grades that will be accepted by buyers at home and abroad. Some time ago, W. J. Boulter, deputy minister of agriculture in Prince Edward Island, said on this subject:

"...... we might mention the marketing of poorly finished or graded products. This is an age of specialization. We must apply this also to the marketing of all agricultural products. The higher the standard the better the price, and we have a more satisfied consumer, who wants nothing but the best, for which he is willing to pay, when he knows he is purchasing only goods of high standard. Whether the product is eggs, potatoes, butter, cheese, or whatever it may be, the best grade sells first.

"Let us then eliminate the waste which results from the shipping of inferior products, which carry the same handling charges, freights and truckage. Make compulsory grading applicable so that every car of potatoes or turnips not only carries the tag stating that it is of a certain standard, but has been subjected to an inspection previous to shipment.

"There is also need of tightening up the regulations which now allow certain products to be shipped as No. 1 grade."

Grading of Grain Our Finest Effort

Canada has made some notable advances in the direction of quality production and grading. Of course our most striking effort has been in grain, chiefly wheat. It is not due entirely to climate and geography that we produce—on the average—the world's finest wheat. In no country in the world is so much study given to the science of cereal culture. We have not only determined what are the best wheats to grow in different areas but we have actually created new varieties of wheat adapted to our conditions. This work continues. We have promoted the use of good seed. We have combatted and are continuing to combat the weed problem, the problem of soil depletion, the insect problem, the rust problem. There is a constant and continuing effort to improve the quality of Canadian wheat and in this work the Dominion government, the western provincial governments, the universities, the grain growers and the grain trade are unselfishly, and without jealousy, joined.

Production of a quality product is only half of the job. It is necessary that there should be certain standards of quality, fixed and unchangeable, and that the products, when produced and sold, should be classified according to these grades and standards established. This has been done in wheat. Every bushel of wheat sold in or exported from Canada is graded according to fixed standards. These grades are accepted the world over. No. 1 Northern is No. 1 Northern, wherever it is bought or sold. The European buyer can order 100,000 bushels of No. 3 Northern wheat and know exactly what he is going to get without ever seeing a sample of the wheat. It would be a practical impossibility to carry on the grain business of Canada without the establishment of standards and the grading of the grain according to those standards. But unfortunately we have applied such methods to only a few commodities and inadequately in the case of some of those. We may briefly refer to some of the grading systems now enforced in Canadian agriculture.

Grading of Dairy Produce in Canada

There is now well nigh universal acceptance of the practice of grading cream received at creameries. The farmer is paid by the creamery on the basis of quality. In this case, as in practically every case where grading has been adopted, the fact that higher grades bring higher prices has impressed itself upon farmers, with the result that a general improvement in the average quality of the whole production has been noted.

The federal government grades butter and cheese for export. The results may be well summarized in a paragraph from a recent annual report of department of agriculture at Ottawa, which says "Canadian cheese commands a premium of 1½ cents per pound on the average over cheese of the same type from any other country. The grading of cheese has facilitated trading and increased the goodwill toward Canadian cheese." Since we have stopped exporting butter, the grading of that product is inactive.

Canada has an inspection and grading system for apples which seems to work well in exports. The Canadian buyer too may demand apples graded according to government standards and when he does this he is assured of getting what he pays for.

Egg Consumption Greatly Stimulated

Eggs also are graded in Canada. The results have been remarkable. Since consumers have been assured that they could buy eggs with confidence, getting what they paid for in each and every case, the consumption of eggs has advanced enormously. In five years, the annual consumption of eggs per capita has increased by a fifth, or by five dozen eggs per year. A federal government report says, "The very satisfactory condition of the Canadian egg trade today may be ascribed to three factors: standardization of the product, application of the regulations governing purchase and sale, and enforcement of the standards." Today Canada leads the world in per capita egg consumption.

There was some hope felt that if Canadian beef were graded as Canadian eggs are graded that an increased consumption would follow. But the beef grading regulations seem to have fallen down. They are largely ignored and the public knows almost nothing of them.

Grading, more or less complete in character, has been applied to wool, hogs, bacon, pure bred swine, potatoes, seeds, and some other minor commodities.

Further Advances Must Be Made

The record seems to be impressive. Nevertheless there is a wide and vast difference between a moderate adaptation of inspection, standardization and grading and its universal use as in the case of wheat. Advances are being made. Where grading has been adopted, increased consumer confidence, higher quality of production and generally improved sales and prices have been noted both in home and foreign markets.

The whole question of grading is one requiring the continued study of the federal government and each of the provinces and of all who hope to see agriculture advance in Canada.

Canadian agriculture can, in many fields, compete with the world on a strictly price basis. But it is far better to bring the forces of good quality, fixed standards, and adequate inspection and grading into play as well. Prince Edward Island, in selling its seed potatoes, is little worried by prices. Our farmers must be urged to raise the best possible products and to insure buyers of getting exactly what they want.

Imperial Oil Celebrates Jubilee in Signal Way

Publishes History of Oil Industry in Canada from Time of First Oil Refinery in 1862—Stephen Leacock Calls This "The Oil Age"

Imperial Oil celebrates in the Golden Jubilee number of "Imperial Oil Review" just published not only its own 50 years of existence but the history of the oil industry itself from its almost infinitesimal beginnings in the middle of the last century to a position today where it is one of the most indispensable industries to modern civilization. So important is it that Stephen Leacock, in an article otherwise humorous, calls this The Oil Age and says that man excels the animals now mainly because he knows how to and does use oil.

"The other animals can't," says Stephen Leacock. "They don't know how. As a result Man, the oil user, can beat them at their own game. The swallow is excelled in its flight. The horse has lost its speed. Unless it can make its legs rotate with gasoline its future will get dark, its doom grow certain. The whale pants along behind the power boat; and no one cares for the whale's pants. He hasn't any anyway. Even the skunk holds his own—or lets it go, on a narrow margin of superiority."

Changes of 50 Years

This history of the upgrowth of an industry is within short compass a picture of changes which have come about in Canada and the world. Selwyn P. Griffin describes "The Canada of 1880," when lamps were displacing candles. Alexander Brady "The Industrial Growth of Canada Since 1880," and the unsigned article gives an interesting view of "The Quest for a Petroleum Supply" by Imperial Oil in Canada and South America. "The Coming of the Automobile," that significant event in the history of the oil industry, is the subject of an article by Dr. P. E. Doolittle, and it is illustrated by a picture of Canada's first automobile, purchased only on April 6, 1898, by John Moodie, Jr., of Hamilton.

One of the most romantic stories in industry concerns the early drilling for oil in Petrolia, and how through the years since then the men trained in that early field have ranged the world in search for oil which has proved all too successful in the years following the war. The story is told in this number by Selwyn P. Griffin.

The latest most significant developments in industry and transportation as affecting the oil industry are dealt with by men who have had an intimate connection with the events they describe: for example, "Flying in Canada" is written by Major General J. H. MacBrien, C.B., C.M.G., D.S.O., and "The Development of Farm Machinery" by Hon. Duncan Marshall.

The Geologist Takes Wings

"The Evolution of Oil Refining" is a story in itself important enough to have a volume. In this number it has seven illustrated pages, the story being told in simple and non-technical language by L. C. McCloskey, assistant general manager Imperial Oil Refineries. He traces the evolution from days of antiquity to the present.

Two articles, "The Geologist Takes Wings," by John Ness, and "Aerial Photography Applied to Geology," tells how the aeroplane and the camera are facilitating the search for oil. Just as the search for oil and the primitive methods used in getting, distributing and refining the crude petroleum have been replaced by the efficient methods of today, so have the methods of distribution changed as drastically in 50 years. P. W. Gordon, manager Hamilton Division Imperial Oil, tells about "Marketing Then and Now." The lesson is rubbed in by pictures showing old and new methods.

Adam W. Sime, technical engineer Imperial Oil, describes the birth and life history of the internal combustion engine, and there are articles telling how Imperial Oil's fleet has been built up to its present total of 25 ocean and lake ships, both motor and steam, as well as river boats and numerous barges. How oil is progressing in its capture of the sea is also told in another article.

Has No Labor Difficulties

Other articles etch in particular phases of the industry fifty years ago and now. The articles dealing with the relations of Imperial Oil with its employees, the industrial relations plan which has helped it solve its labor problems, and the long list of employees starting with those who have had forty or more years' service with the company down to those whose term of service has only been for ten years, are of great current interest. The long lists of names, alphabetically arranged, appear democratically without distinction as to duties performed for the company. One recognizes the name of a vice-president next to that of a workman or a messenger boy.

The first oil refinery in Canada in 1862 received about 100 barrels of crude oil per week. From it was distilled twenty to twenty-five per cent of lamp oil. The balance was waste.

In 1930 Imperial Oil refineries are receiving 75,500 barrels of crude oil each day. This is delivered by pipe lines, by railway tank cars and by tank ships. Ninety-eight per cent of it is refined into gasoline, oils, waxes, greases and more than 250 other products of petroleum.

A most attractive cover design by Lampson is in keeping with the general high standard of excellence in this history of oil.

Canadian Celanese Plans Large Plant Extension

From Our Own Correspondent

MONTREAL.—Canadian Celanese, Ltd., has started on an expansion programme involving an expenditure of over $1,000,000, and the plant at Drummondville will be enlarged by an extension of 250 feet by 350 feet. It is stated that the increased equipment to be introduced on completion of the extension will provide total employment at the plant for 3,000 workers.

The company's decision to make a distribution on its preferred stock and enlarge its manufacturing facilities follows a substantial volume of orders which has kept operations at capacity. During the past few months it has been necessary to keep a day and night shift working.

Further, it is expected that new tariff regulations will benefit the company's operations. During the period of investigation which preceded the enactment of this legislation, directors of the company assured the government that given reasonable and satisfactory protection, they would be able to proceed with a programme of expansion which would increase employment at the plants.

The company is now satisfied that the increased volume of business it expects to secure in Canada as a result of the protection afforded will have the effect of cutting down production costs and lowering the price of the manufactured article.

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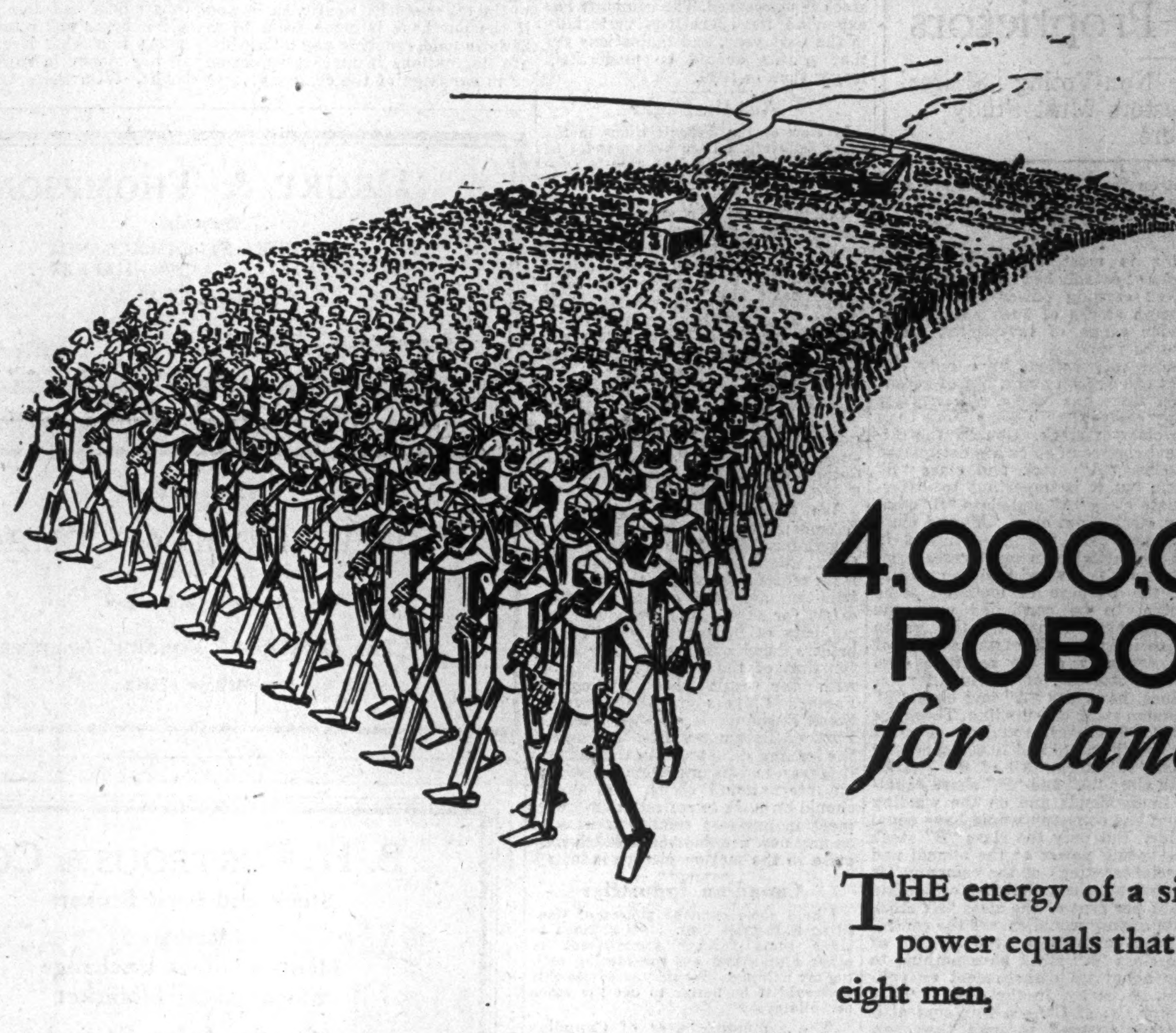
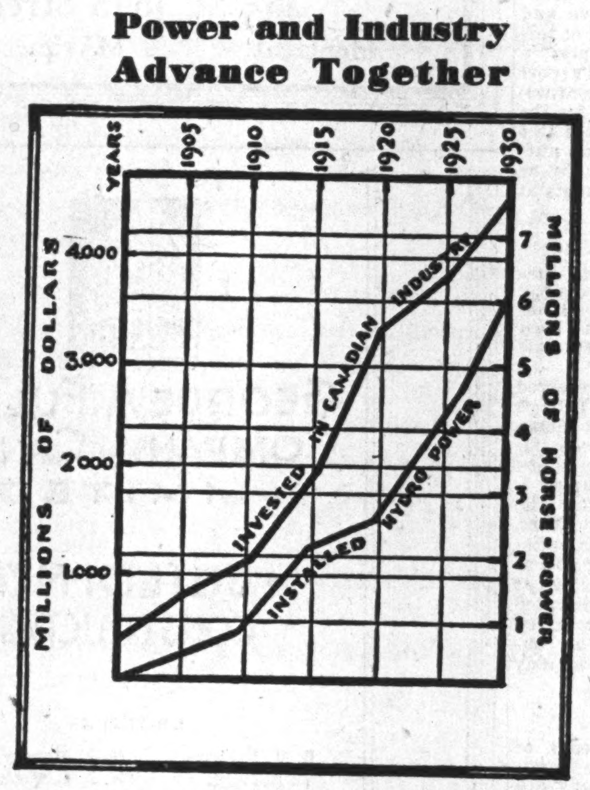


Power and Industry Advance Together



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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 16, 1930 | 10c a Copy; $5.00 a Year | No. 42

WEST. CAN. FLOUR EARNINGS DECLINE, NOW DOING WELL

Trenched on Reserve to Pay Common Dividend—Prospects Improve

ALL MILLS EMPLOYED

Working Capital Down But Still Strong—Expanded Operations During Year

Western Canada Flour Mills Co. presents a report for the year ending August 31, 1930, which must be considered encouraging when considered against the background of difficult conditions experienced by all Canadian milling companies. Net profits, it is true, were down to $221,416 as compared with $556,352 in 1929 and $409,397 in 1928, which brought earnings on the 6½ per cent preferred stock down to $9.07 a share as against $22.52 in 1929 and $16.54 in 1928.

The company continued to pay its dividend of $1.40 a share on the common stock though earnings in the year under review were only 53 cents a share whereas in the preceding year they were $3.44 and in 1928 $2.16.

Thus, the company trenched on its accumulated surplus of $1,005,612 to the extent of more than $100,000 to pay common dividends but in view of the exceptional conditions during the year this does not place the common stock dividend in as doubtful a position as one would expect. Especially is this the case in view of the statement of the president, D. B. Hana, in his letter to shareholders that conditions have improved since August 31st and that at the present time all the company's mills are fully employed.

Look Forward Confidently

"Your directors," he said, "look forward with confidence to more returns during the coming year."

The lack of stability in the grain markets was felt as one of the chief obstacles to profits in the milling industry during the fiscal year ending August 31, according to the president's letter. This was felt more particularly in the export field. The operations of the company's elevators were also adversely affected by the small crop. These factors, together with the general slowing up of business, resulted in the reduction of net profits.

During the year the company installed a new power plant at Goderich, improved the power plant at Calgary and extended the Montreal and Ottawa warehouses. The Purity Baking Co., which holds the company's baking interests, acquired enough new plants to make the company represented in most of the large centres between Montreal and Vancouver.

Cash Position Weaker

Working capital position of the company is still strong, though down from the previous year, being $1,587,549 as compared with $1,842,398 a year earlier and $2,200,787 two years earlier. The only difference, which may be credited to the strain of the last year, is in $250,000 bank loans among the liabilities and a drop in cash from $246,161 to $70,378. Accounts receivable at $857,912 compare with $749,121 on August 31, 1929. Accounts payable at $1,112,443 show little difference from the totals of the two previous years. Inventories at $2,101,925 are a little more than in 1929 but less than in 1928. In view of the encouraging report as to current business, the working capital position is good enough so that it would not cause common shareholders great concern if the company should cut its dividends for a time in order to conserve cash assets.

Reserve for doubtful accounts, contingencies and income tax has shown a considerable decrease in the last two years, being $1,236,105 on

Ogilvie Investments Show Good Gains

From Our Own Correspondent

MONTREAL.—A surprising feature of the annual report of Ogilvie Flour Mills for the year ended August 31, 1930, was the substantial increase in the value of investments held by the company. These amounted to $12,215,650 as compared with $10,325,070 at August 31, 1929.

Despite the decline in security values during the past twelve months, it was stated officially that the figure at which investments were carried was still substantially below market quotations.

Though Ogilvie Flour Mills is the largest milling company in the British Empire, income from investments plays an important part in total revenue. Following figures illustrate the growth of its investment account:

	$
1923	7,567,513
1924	6,638,076
1925	8,016,170
1926	7,367,213
1927	9,477,826
1928	9,220,075
1929	10,325,071
1930	12,215,650

August 31, 1928, $240,918 a year ago and $184,004 on August 31, 1930. Property reserve has shown steady decreases since August 31,1926, when the total was $1,701,316, to August 31, 1930, when it was $1,388,084. The general reserve still remains at $1,221,012.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years ended August 31

	1930	1929	1928
	$	$	$
Net profits	221,416	556,352	409,397
Less appropriations:			
Pref. divds.	159,661	160,722	160,875
Com. divds.	162,232	161,000	140,875
Surp. for year	*100,477	234,630	107,647
Add: Pr. surp.	1,005,611	820,982	713,334
Less: Pension fund res.	......	50,000	......
Bal. car. for.	905,135	1,005,612	820,981
* Deficit.			
Preference earned	$9.07	$22.52	$16.54
Paid	6.50	6.50	6.50
Com. earned	.53	3.44	2.16
Paid	1.40	1.40	1.40
Working Capital Position			
	1930	1929	1928
	$	$	$
Curr. assets	3,303,215	3,055,854	3,386,087
Curr. liabs.	1,442,666	1,213,456	1,185,300
Work. capital	1,587,549	1,842,398	2,200,787
Ratio	2.10—1	2.52—1	2.86—1

NEW POLYGRAPHIC PROCESS IN CANADA

Printing is Reproduced With Photo Gelatine Transfers

Polygraphic Co. of Canada Ltd., producers of a new type of printing, are now manufacturing in Montreal and maintain service offices in Ottawa and Toronto. The polygraphic process reproduces printed forms in a unique way through a method of photo gelatine transfers. Results are reported to be excellent in black and white and colors in simple line or detailed half-tone effects.

In reproducing originals no typesetting or proof reading is necessary and half-tones, zincs and metal plates are eliminated. Small quantities are produced as economically as large quantities.

One big advantage claimed for polygraphic is that books or catalogues out of print can be reproduced without resetting the type or using electros.

Investors Syndicate Has Assets of $36,666,596

Total assets of Investors Syndicate of Minneapolis amounted to $36,666,596 on September 30, 1930, an increase of $6,221,601 during the year previous.

Assets included $29,406,993 in first mortgage bonds on city residential property in 26 cities in the United States and Canada; bonds and securities amounted to $2,144,572. Capital, surplus and reserves increased $977,329 during the year and totalled $4,807,050 according to a report from the company.

FRIDAY OCTOBER 17th

IS THE OPENING DAY AT

107 Yonge St.
247 Yonge St.
1722 Queen St. W.
1487 Yonge St.
2038 Danforth Ave.
2862A Dundas St.
2256 Bloor St. W.
1036½ St. Clair Ave. W.
443 Danforth Ave.

OF OUR TORONTO STORES

Jenny Lind
CANDY SHOPS

AS MARKET DROPS, LEADERS IN U. S. A. SHOW CONFIDENCE

Hoover Stresses Doctrine of Spending, New U. S. Philosophy

By M. M. WILNER

WASHINGTON. — Not the least interesting feature of current events in the United States relating to business conditions is that at the very time when security prices on the exchanges were dropping to lower levels than they reached in the collapse of November, 1929, the most pronounced expressions of confidence appeared regarding improvement in the general industrial and mercantile situation. A comparison of the intense public interest in the drop in prices last year with the calmness which is manifest this year illustrates the difference between a popular and a traders' market.

That, however, is less important than an examination of subjects in which people are interested. At the very time when the New York market was touching its lowest points, the Industrial Council of the National Association of Manufacturers was holding a meeting in that city at which it listened with evident attention and belief to a symposium on business conditions by representatives of no less than 17 prominent manufacturing concerns. Last year such a conference hardly could have been held without reflecting the excitement of Wall St. This year the minds of the delegates appear to have been concentrated entirely on the almost unanimous predictions of gradual improvement during the fall and a return to normal beginning next year.

Did Hoover Watch Market?

In 1929 the president of the United States called into council a group of the most influential business men and attempted an organization of policies to avert panic and the general industrial distress which naturally could be expected from the drop in market. This year it was mere coincidence that the president, in accordance with engagements made long before, was on a speech-making trip while the market was beginning to suffer worst, and he apparently never observed the daily stock quotations.

In this connection it is worth noticing that Mr. Hoover, in his speeches to the bankers and the Federation of Labor, put stress particularly on the doctrine that the increase of buying power and its judicious exercise are the basis for improving prosperity. The economic doctrine that ability to buy is vastly more important that cheapness of price has approached under Mr. Hoover nearer than ever before to the stage of a distinct philosophic formula. A most emphatic paragraph declared hostility to any idea that a general reduction of the standard of living is necessary and to any governmental or business policy looking to such a development.

The speech at the dedication of a Revolutionary monument at King's Mountain, S.C., took up another phase of the general problem of restoring prosperity by the most outspoken condemnation of the economic theory of socialism and of its extreme development, Bolshevism, that ever has been made by a president of the United States.

On the other hand, a former unsuccessful candidate for president, John W. Davis, has vigorously denounced the Hoover administration and its economic ideas as quackery. A candidate for the United States Senate in New Jersey has declared that the Hoover economic policies are a chief influence "in breeding Reds in the United States" and that the committee of congress which has been investigating Communist activities is itself a principal contributing excuse for them. A United States Senator from New York, Royal S. Copeland, has criticized the administration severely for setting the example of increasing unemployment by dropping men from the government service as a measure of economy. The one example which he cited was the proposed reduction of the enlisted personnel of the navy by 4,800 men in carrying out the London naval treaty. That gives to this particular phase of dissent from the Hoover programme an interesting significance from an international viewpoint.

It may be said that most of these expressions of prevailing thought in the United States have a political tinge. That is true, of course, but no wise business man whose plans require foresight omits from his calculations the effect on public thought of the assertions and arguments which politicians place before them.

PICK ANGUS McLEAN TO HEAD CHAMBERS

Angus McLean, of Bathurst, N.B., is the new president of the Canadian Chamber of Commerce, elected at the annual meeting in Toronto last week. Other officers are:

Chairman of the Executive: George C. McDonald, Montreal.

Vice-Chairmen of the Executive: C. L. Burton, Toronto, and M. W. Wilson, Montreal.

Honorary Treasurer: W. G. Watson, Toronto.

Vice-presidents, one for each province: G. H. Barr, K.C., Regina; Duncan Cameron, Winnipeg; T. S. Dixon, Vancouver; John M. Imrie, Edmonton; J. A. LaRue, Quebec; S. A. McDonald, Charlottetown, J. D. McKenna, Saint John, J. A. Tory, Toronto; A. H. Whitman, Halifax.

National Councillors, one for each province: J. A. Clark, Charlottetown; Chas. Duquette, Montreal; J. G. Harrison, Saint John; T. A. Hornibrook, Calgary; John Hunter, Winnipeg; H. R. MacMillan, Vancouver; Col. W. L. McGregor, Windsor; J. M. Stevenson, K.C., Saskatoon; C. H. Wright, Halifax.

Advisory Council: Col. J. H. Woods, Chairman, Calgary; G. E. Barbour, Saint John; E. W. Beatty, K.C., Montreal; W. M. Birks, Montreal; A. O. Dawson, Montreal; A. M. Dollar, Vancouver; S. B. Gundy, Toronto; James Richardson, Winnipeg; John W. Ross, LL.D., Montreal.

Vice-president for Canada of the Federation of Chambers of Commerce of the British Empire: W. M. Birks, Montreal.

Self-Made Industrialist Chosen as 1931 President Of Chamber of Commerce

By FLOYD S. CHALMERS

About five years ago I wrote in The Financial Post a little piece about Angus McLean, of Bathurst, New Brunswick. The first paragraph said:

"There are some men who were never born to blush unseen. One of these is Angus McLean. Mr. McLean has not been able to avoid publicity. He is too direct in his thinking and too outspoken ever to remain long hidden beneath a cloud of obscurity.....Evidently we are going to hear a lot more about him and from him yet."

Mr. McLean will not have any chance to blush unseen this year. He is going to be a busy man and a prominent national figure. Last week, the Canadian Chamber of Commerce asked him to be their president for the coming year. This means that he will have to give about 100 addresses, travel about 30,000 miles, sit in on several conferences a day, meet with cabinets, association chiefs, chambers of commerce, business groups and railway men.

ANGUS McLEAN

Speaks His Mind Openly

The Canadian Chamber of Commerce is the most representative association we have in Canadian business. To become its titular and active head is to become a national and often an international figure (witness Col. J. H. Woods, the retiring president, who was called upon to speak in clear and friendly—friendly, but clear, to use his language—terms in Washington and London).

This year the Chamber is headed by a man who has no ambitions in the direction of diplomatic finesse, who speaks his mind, bluntly and courageously, who does not care to be on the popular side of a question if the popular side is opposed to his convictions. He has been the centre of more than one violent storm but, when the tempest of public comment has abated, his commanding figure, strikingly crowned with a plume of pure white hair, is usually standing just where it was when the fight got under way.

Believes Stand Vindicated

Mr McLean was on the unpopular side of the controversy regarding an embargo on pulpwood. He did not believe in the embargo that was proposed (although it is hard to see how he could have failed—temporarily at least—to benefit financially if there had been an embargo) and he said so, with his coat off and his sleeves rolled up. The Financial Post and Mr. McLean were on opposite sides in this dispute. Mr. McLean now believes that the shipment of Russian pulpwood into the United States proves his stand to have been sound. The American mills are importing Soviet wood just to show the Canadian producers that the United States is not dependent on this country. If we put an embargo on pulpwood it would not divert American paper production to Canada, Mr. McLean believes, because Americans would buy more Russian pulpwood.

Mr. McLean is also a free trader. There was a scandalized astonishment in some quarters when this avowed free trader was once elected chairman of the Maritime division of the Canadian Manufacturers' Association. But Mr. McLean is a free trader who realizes that free trade is economically sound for the world at large but suicidal for an individual country to practise. "We could not be a free trade country if we wanted to," he says, "not so long as every other country is on a protectionist basis."

Last week at the annual banquet of the Canadian Chamber of Commerce Mr. McLean sat at the head table and greatly enjoyed the two main speeches of the evening. Both of them were pleas for keeping the government out of business; for giving economic forces free play, unhampered by artificial restrictions, That is his own policy; it may explain the stand he has taken on some of these public questions.

Born to Lumber Business

Angus McLean has spent his life in the lumber and pulp business. He was born into it. His father was a farmer in the Ottawa Valley who cut and squared wood in the winter and floated it down the river to Montreal. The younger McLean was fourteen when he rode his first raft of timber down the river. He was away from home two and a half months. "It was the greatest experience of my life," he says. He kept this up for several years becoming expert at pike pole and cant hook. He got his education at night, in a business college, and this took him off the rafts and into the office of a lumber company, as assistant shipper and then shipper. Eventually he became bookkeeper for Senator Edwards, the lumber king of the valley. Senator Edwards believed that he picked a winner when he picked Angus McLean and he gave his protégé every opportunity to learn the business. The bookkeeper in time became the partner of Monarch Edwards.

In the 90's, Mr. McLean made a profitable excursion into American business, starting a lumber business, in partnership with his brother, in Buffalo and branching out until it was a big company with twelve mills. He spent fourteen years in business in Buffalo. He is no longer interested in this business although he retains a stake in a large company in Louisville, Kentucky.

In 1907 he went to the Gaspé Peninsula. The Edwards owned a lumber mill, and Mr. McLean looked after their interests there for a while. He sensed, however, that Northern New Brunswick was a more promising field. He acquired vast stretches of timberland and finally built his own lumber mill at Bathurst, having in mind that eventually it would become a pulp mill and then a paper mill.

Becomes Maker of Newsprint

In 1923 the final objective was reached when Bathurst Company began to produce newsprint paper. It was the first newsprint paper mill in the Maritime Provinces and aroused much enthusiasm in the provinces by the sea. The Maritimes now have several paper mills and are a real factor in the conversion of Canadian raw timber into the final product that is fed into newspaper presses.

Two or three years ago, Mr. McLean sold out to financial interests. He retired from active management of the company and now spends his time looking after his investments, which are extensive and embrace a large number of interests. He is president of McLean Investments.

Still Lives in Bathurst

While the new company, Bathurst Power and Paper Company, does not even claim Mr. McLean as a director he remains a citizen of Bathurst and intends to remain one. His family ties are there; his personal interest in the town and the welfare of its citizens is too great to permit him to desert it now. So long as salmon run the Northern New Brunswick rivers and moose stalk the woods, Mr. McLean will be a Bathurstite.

Mr. McLean has no intention of altering the fundamental policies of the Canadian Chamber of Commerce. He follows some good presidents and knows it. But he is a different type. He is two-fisted and companionable. He brings to the office of president a vigorous business personality, an abundant measure of common sense, an amazing capacity for creating and holding friendships and a most retentive memory, that never fails to recognize a face or recall a name.

Foremost an Individualist

He brings too an abiding faith in the power of individual initiative, in the collective good judgment of business, and in that type of co-operation in business that still gives free play to the forces of competition and the spur of ambition.

Mr. McLean is decidedly the individualist. Able business man that he is, he is not the modern type of executive. I recall dropping off the train at Bathurst a few years ago to see Mr. McLean. He was out of town and I waited around for a day until he arrived. We went up to his office together. He took off his coat, rolled up his sleeves (this literally and not merely figuratively) and went to work. There was a pile of unopened letters on his desk. Only a few of them were addressed to Angus McLean. Most of them were addressed to the Bathurst Company. He opened every communication himself and read them. I did not enquire what would have happened to an employee who had opened one of the company's letters while Mr. McLean was out of town. The incident may or may not have been typical of the man. I was told that he was the only boss the company had. He did more of the detail work around the office than any other executive would ever have found time to do.

It is such an individualist that the Canadian Chamber of Commerce has chosen to head what is the largest co-operative association in Canadian business. It seems to argue that during the coming year the Chamber will have distinct leadership given to it in the task, sometimes difficult in the business world, of determining the respective spheres of pooled effort and individual personality in business.

Quebec Leads Provinces In Pulp and Paper Industry

From Our Own Correspondent

MONTREAL. — Figures on the pulp and paper industry, as shown by the principal statistics issued by the Government, clearly illustrates the important part it plays in the industrial life of Canada as a whole. Gross value of production last year rose to $243,970,761 of which paper manufactured was $193,193,022.

Of this great sum $150,800,157 represented value of newsprint. In terms of tonnage 85.2 per cent of the total tonnage of paper made in Canada was newsprint.

The pulp and paper industry as a whole is the most important manufacturing industry in Canada; the newsprint industry is its most important division. The principal statistics by provinces follow:

Principal Statistics, by Provinces, 1929

Items		Canada	N.S.	Quebec	Ontario	B.C.	N.B. and Manitoba
No. of establishments,	no.	108	6	49	41	6	6
Pulp-mills	no.	34	6	14	9	2	3
Pulp & paper mills,	no.	46	......	22	18	3	3
Paper mills	no.	28	......	13	14	1	......
Capital invested	$	644,773,806	2,554,166	353,401,187	207,005,896	47,590,726	34,221,831
Total employees	no.	33,584	323	17,244	11,023	3,077	1,917
Salaries and wages	$	50,214,445	308,297	25,933,911	16,466,693	5,068,733	2,436,811
Fuel used	$	12,550,518	......	5,689,016	4,802,475	995,686	763,341
Power employed ...	H.P.	1,542,197	16,665	875,144	478,580	99,880	71,928
Pulp-making materials,	$	74,199,817	398,718	39,287,402	24,711,850	3,822,455	5,979,392
Pulp manufactured ..	$	129,033,154	948,889	69,286,498	39,963,767	7,790,494	11,043,506
Paper-making materials,	$	100,525,056	......	57,440,300	35,257,022	4,752,558	3,075,176
Paper manufactured ..	$	193,193,022	......	107,504,475	66,322,230	13,226,274	5,640,043
Total gross production,	$	243,970,761	948,889	129,745,028	82,352,183	16,896,652	14,028,009
Total net production ..	$	147,096,012	550,171	79,939,939	46,464,870	12,512,806	7,628,728

FOUNDATION CO. OBTAINS CONTRACT FOR HALF MILLION

To Construct Portion of New C. N. R. Viaduct in Montreal

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been awarded a contract by the Canadian National Railways involving about $500,000 for construction of a portion of the [illegible] viaduct leading into the proposed central passenger terminal from Victoria Bridge.

This viaduct forms the southern approach to the new central terminal, and will be approximately 2,000 feet in length and 112 feet wide. The portion allotted to Foundation Co. of Canada runs from St. Paul Street to the south side of Ottawa Street and approximates 1,000 feet.

The viaduct will consist of reinforced concrete, flat slab two-story structure, the top deck of which will carry eight tracks set in rock-ballast. The first and second floors of the viaduct structure will be available for occupancy as garages and warehouses, for storage, for light manufacturing and other purposes. They have heat, light, drainage and sanitary facilities.

Profits Are Satisfactory

Though Foundation Company is not handling as big a volume of business this year as it did last year, it is stated that profits have been satisfactory. In other words, earnings have reflected a better percentage on the total business handled during the current year.

In the last fiscal year ended April 30, 1930, net earnings of the company were $388,782 as compared with $319,974 in 1929. After all deductions, earnings per share on the 84,600 shares of common stock outstanding, were $2.86 as compared with $2,36 in the preceding period. A dividend payable quarterly at the rate of 25 cents a share, was inaugurated in August, 1929, and has been maintained, to date.

Contracts awarded to the company in 1930 include a contract for the erection of the new Canadian National Railways Hotel at Charlottetown, P. E. I.; erection of the Aldred Building in Montreal; construction of wharves for New Brunswick International Paper Co. at Dalhousie, and a contract for approximately 1,000,000 covering alterations and extensions to the central Y. M. C. A. in Montreal.

CANADA CEMENT AWARDED ORDERS OF GOODLY SIZE

Two Contracts Total Over 1,000,000 Bags of Cement

From Our Own Correspondent

MONTREAL.—Due to the various federal, provincial and civic programmes of construction recently announced it is reported that Canada Cement has secured several important orders including one for 160,000 bags of cement for the Ontario Department of Provincial Highways and a 900,000 bag contract from the city of Montreal.

Canada Cement should benefit still further from the construction of the Canadian National Terminal project in Montreal. Already contracts for a portion of this work have been awarded which include orders for 50,000 cubic yards of concrete and 180,000 lineal feet of concrete piles. Cement will figure largely in this construction.

While the general decline in construction may have affected sales of the company to some extent the outlook is satisfactory. Canada Cement is making good progress with the work of turning over its Montreal East plant from a dry to a wet process. This conversion is being carried out without any interference to production and it is expected that the job will be completed by the spring of 1931.

Converted Western Unit

The Winnipeg unit was converted in 1928 from the dry to the wet process and the change has been reflected in lower operating costs. The Hull plant was reconstructed and put into operation a year ago while various improvements have been effected at other plants. Capital outlay for plant extensions is presently confined, for the most part, to work at the Montreal East plant.

Improvements have been made to distribution facilities in the past year. In 1929 a new self unloading steamer for the transportation of cement in bulk was put into service between Montreal, Quebec, and Maritime ports. The bulk cement is carried to the warehouses at Saint John, Halifax and Quebec and there bagged and distributed to the trade. The method is said to be less expensive than the old method of shipping the cement in containers.

Atwell Found Guilty; D. W. O'Hara Acquitted

MONTREAL. — Louis M. Atwell, former mining broker, has been found guilty of fraud and conspiracy by a jury in the Court of King's Bench. D. W. O'Hara, was acquitted on a similar charge.

Both were charged with conspiracy and defrauding the public of sums of money totalling over $200,000. Atwell & Co., and D. W. O'Hara & Co. both went into liquidation on April 1, 1930, at which time it was stated there were 1,600 clients claiming stocks from the estate.

The liquidator said that they might possibly receive 5 or 10 cents on the dollar.

Will List Eastern Dairies on Montreal Big Board

From Our Own Correspondent

MONTREAL. — Application has been made to the Montreal Stock Exchange for listing of the common shares of Eastern Dairies, Ltd. According to the last annual report, there are 74,009 shares outstanding of 200,000 authorized.

Since the stock was issued in April, 1926, it has been listed on the Montreal Curb Market. The shares were recently placed on an annual dividend basis of $1 a share.

Consolidated Food Gets Sales Volume

If Present Scale Can Be Maintained, Management Believes Company Again Will be Profitable

Gross sales in the Stop and Shop stores of Consolidated Food Products Ltd. have reached a volume which will enable the company to operate at a profit if this volume can be maintained.

The company under its present management inaugurated a new sales policy in the first week in September. Sales since then have shown a spectacular increase and there is no tendency evident so far for these gains to be lost after the first flush of enthusiasm.

To Reopen Some Units

Certain other stores of the company which were closed in the last several months probably will be reopened as Stop & Shop units.

Arnold Bros. bond interest is being earned, it is stated, and, moreover, there are ample real estate assets behind the issue. The 30,330 class "A" shares are entitled to a preferential dividend of $1.50 but this dividend is non-cumulative.

It is understood that the company is heavily obligated to its financial sponsors, current assets having been seriously depleted in the last year or two. The common stock, currently quoted at 1 and 1¼, has attracted some speculative buying at those levels. There are 233,993 shares of common.

The company recently moved into the warehouse on Bloor Street West, Toronto, which formerly was the Loblaw headquarters. This warehouse is a thoroughly efficient one and serves the Consolidated Food Products units in the Toronto and Central Ontario field. The head office of the company is in the same building.

Dom. Textile's Operations Placed on Better Basis

From Our Own Correspondent

MONTREAL.—Operations of Dominion Textile Co. are on an improved basis and plant activities have increased from below 50 per cent in August to 65 per cent of capacity. It is anticipated that operations in the near future will reach 75 per cent of capacity.

Plants at Montmorency Falls are operating on full time while production at the Magog print works is being speeded up. In the mill of the Sherbrooke Cotton Co., a subsidiary, an additional 200 looms are being placed in operation.

According to a statement made by F. G. Daniels, president of the company, to the Canadian Textile Journal, business will be accepted for the current season at cost in order to bring the company's mills into full operation as rapidly as possible.

"September was the first month this year," Mr. Daniels stated, "that bookings have shown an increase over the corresponding month last year. In many months this year bookings have been one-third to 50 per cent lower than the corresponding months of last year."

RICHFIELD PETE ABANDONED WELL COSTS $115,000

But Company Apparently Able to Drill Second Hole

The balance sheet of Richfield Petroleum, Ltd. as of July 31, 1930, shows that the company lost $114,930 in its No. 1 well in Waite Valley, which was abandoned last June after encountering adverse conditions at a depth of 4,675 feet. On the other hand, current assets at that date amounted to $61,144, with current liabilities of only $1,801, which will go a long way towards the financing of the company's second well in central Turner Valley.

The remainder of the company's assets consists of 100,000 shares of Innerfold Oils, Ltd., valued at $100,000; sundry assets of $75,021; property carried at $388,317; stock selling expenses, $80,285, and deferred charged amounting to $851.

The company has an authorized capital of 1,000,000 shares of no par value, of which 818,750 are issued and carried at $1 per share.

Following the abandonment of the Waite Valley well, the directors decided that in order to conserve the funds left in the treasury, it would be wiser to drill in a more proven area, from which the production would supply further funds for the financing of future wells. Accordingly ten acres were acquired from the Spooner estate, near producing wells of Spooner Oils, Rayalite and Dalhousie, where the company is drilling a well last reported to have reached a depth of 1,200 feet.

Alberta Makes Change in Licensing Fees

Only one-half the full year's license fee will be charged in Alberta to insurance companies obtaining a license for six months or less, according to an order-in-council passed in that province recently.

If you are
—A Stockholder in a Close Corporation
—A Partner in a Business

You will be interested in a plan which will, upon the death of one of your associates, make certain that:

... the surviving partners or shareholders will have available an amount in cash for the purpose of purchasing the deceased's interest in the partnership or company, thus eliminating the possibility of having to take in an outsider or of having to wind up the business.

... both the surviving partners or shareholders and the deceased's estate are relieved of the possibility of sustaining any immediate financial loss owing to his death.

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In part renewal of a short-term loan for $783,000 issued at a higher rate of interest and payable November 1st, of which $250,000 will be reimbursed through the sinking fund - - thereby effecting a substantial reduction in the annual interest charges.

Price: par (100) and interest

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Montreal Stock Exchange — New York Curb (Assoc.)
Winnipeg Grain Exchange
80 King St. W. Toronto, Canada
ELGIN 5331
LONDON, ENG. — NEW YORK CITY — MONTREAL — KITCHENER — GUELPH — WINDSOR

Financial History has a way of repeating itself

The public mind swings from one extreme to the other... Last year marked the climax of a period during which the conservative attitude toward investment was singularly lacking. The reaction of many is now to seek ultra-safety... causing unusual demand for the limited supply of that type of bonds which are best known and most marketable. The usual market for so-called "gilt-edged" bonds is thus expanded and prices have gone up accordingly.

Not everybody needs the kind of bonds which have been most in demand lately... Banks, insurance companies, institutions, trustees and corporations are logically the largest purchasers of highly marketable issues... to provide quickly liquidable assets or to meet requirements of law governing their investments... Most individual investors' needs are likely to be better met by sound bonds which afford ample safety... and with it the highest consistent rate of income.

Not since 1920-21 has there been a time when bonds of the sort which may be put away and safely held for income, could be obtained at prices and at rates of yield comparable to those available today.

Many readers of this statement may have purchased bond income back in 1920-21 and enjoyed, in the intervening years, a rate of return which seemed too good to be true... Looking back over the records of that former period of bond bargains, we find that this house was then offering a number of diversified 5 per cent coupon bonds at prices to yield the investor from 6.90 per cent to 13.20 per cent in income... Now, many of these same bonds are selling to yield from 4.30 per cent to 6.80 per cent.

Such financial history has a way of repeating itself.

There are Many Actual Bargains in Bonds Today

To investors who wish to take advantage of current conditions in the bond market, we shall be glad to send a list of issues which at current prices offer an extraordinary rate of income... issues we have underwritten in recent years and which we know, at first hand, are well secured... For the most part we do not have these bonds on hand to sell... we must buy them on the open market to fill orders. Our purpose in compiling the list is primarily to demonstrate to investors the sound intrinsic values and unusual yields now obtainable... but which may not remain available very long. The list, with descriptive information concerning the issues, will be sent on request.

COMPETENT INVESTMENT SERVICE BY MAIL
For investors who live at too great a distance from our offices to be called upon by our representatives, we maintain a competent staff, trained to give as efficient and satisfactory service by mail as could be rendered through personal contact. Write to our nearest branch if you are interested in knowing the full details of this service.

HALSEY, STUART & CO.
INCORPORATED
Toronto Branch Office, 6 King Street, East, Telephone Waverley 3041
CHICAGO, NEW YORK AND OTHER PRINCIPAL CITIES

THE PROGRAM THAT DOES MORE THAN ENTERTAIN
Every Wednesday evening you may increase your knowledge of sound investment by listening to the Old Counsellor on the Halsey, Stuart & Co. program, ✦ broadcast over a Coast to Coast network of 37 stations associated with the National Broadcasting Company. ✦ Music by symphony orchestra.
EVERY WEDNESDAY CKGW 9 P.M.
BONDS TO FIT THE INVESTOR

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING OCTOBER 13

Range 1930 High	Low	Divd. Rate $	Yield in % Oct. 11		Close Oct. 6 (or last)	Week Ending Oct. 13 High	Low	Close
42¼	11	.	...	Abitibi, c.	14	14	11	12
110	103	7	6.79	Do. pref.	103	..	..	..
87	50	6	11.53	Do. pref.	67	60	50	51
14	8¼	.	...	Agnew Surp., c.	11	..	..	..
95½	90	7	7.77	Do. pref.	91¾	91¾	90	90
28	7½	.	...	Alta. Pac. Grain	10	10	7½	7½
91	45	.	...	Do. pref.	50	50	50	50
15	5	.	...	Amal. Elec.	5	..	..	..
39	36	3	7.89	Do. pref.	38	..	..	..
3	3	.	...	Anglo Nor. Hold.	3	..	..	..
3¾	¼	.	...	Asbestos, c.	¾	¾	½	½
15	2	.	...	Do. pref.	2	3	2	2
18	9½	2	20.00	Assoc. Brew.	11	12¼	10	10
95	79	7	8.86	Do. pref.	82	79	79	79
18¾	10	1.50	15.00	Assoc. Can.	10	10	10	10
87½	87½	6	8.00	Assoc. Tele.	87½	87½	87½	87½
8½	4½	.	...	Atlan. Sugar	5½	5½	5	5
45	40	.	...	Do. pref.	42	..	..	..
175	170	10	5.78	Bk. Can. Nat.	173	173¼	172¾	172¾
325	290	12+2	4.74	Bk. of Montreal	305	306	295	299
355	315	16	5.00	Bk. of N. Scotia	321	322	318	320
262	235	12+1	5.41	Bk. of Toronto	240	..	..	..
30	30	1.50	5.00	Barcelona Tr.	30	..	..	..
10½	5	.	...	Bathurst Pr.	5	5¾	5	5¾
4½	2¾	.	...	Do. (B)	3	3	3	3
26	26	50c	...	Bawlf Grain	26	..	..	..
83	74¾	6.50	8.69	Do. pref.	74¾	..	..	..
22½	14½	1.60	11.03	Beath & Sons	14½	14½	14½	14½
33	20	2	9.09	Beatty Bros.	24	22	20	20
92	85	6	7.05	Do. pref.	85	85	85	85
15½	9	.	...	Beauharnois	9	9¼	9	9¼
130	120	7	5.83	Belding Cort.	120	[illegible]	[illegible]	[illegible]
110	98½	7	7.00	Do. pref.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Abitibi, pref.	6%	1½%	Oct. 20	Oct. 10
Amer. Commonw'lth Pr. pfd. 'A'	7%	$1.75	Nov. 1	Oct. 15
Do., 1st pref.	$6.50	$1.63	Nov. 1	Oct. 15
Do., 1st pref.	$6	$1.50	Nov. 1	Oct. 15
Do., 2nd pref.	$7	$1.75	Nov. 1	Oct. 15
Do., cum. "A"	..	2½%	Oct. 25	Sept. 30
Blue Ribbon pref.	6½%	31¼c	Nov. 1	Oct. 15
Bank of Toronto	12+%	3+1%	Dec. 1	Nov. 15
Barcelona Tr., ord.	....	50c	Nov. 3	Oct. 18
Belding Corticelli, pfd.	7%	1¾%	Dec. 15	Nov. 29
Do., com.	7%	1¾%	Nov. 1	Oct. 15
Brand.-Henderson, c.	2%	½%	Nov. 1	Oct. 1
Beatty Bros., pref.	$6	$1.50	Nov. 1	Oct. 15
B. C. Pulp, pref.	7%	$1.75	Nov. 1	Oct. 15
Brazilian Tr. ord.	...	†	Dec. 1	....
Can. Bank of Commerce	12+1%	3+1%	Dec. 1	Oct. 31
Calgary Power, pref.	6%	1½%	Nov. 1	Oct. 15
Can. Celanese, pfd.	.....	3½%	Dec. 31	Dec. 15
Can. Dredge & Dock, pfd.	7%	1¾%	Nov. 1	Oct. 16
Do., com.	$3	75c	Nov. 1	Oct. 16
Can. Investors	$1	25c	Nov. 1	Oct. 15
Collingwood Terminals, pfd.	7%	1¾%	Nov. 1	Sept. 30
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Nov. 15	Oct. 20
Canada Wire & Cable, "A"	$4	$1	Dec. 15	Nov. 30
Do., com. "B"	...	43¾c	Dec. 15	Nov. 30
Canada Nor. Power, com.	60c.	15c.	Oct. 25	Sept. 30
Cockshutt Plow	$1.50	37½c	Nov. 1	Oct. 15
Can Industries	..	62½+*25c	Oct. 31	Sept. 30
Can. Bronze	$2.50	62½c	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Consolidated Press "A"	$2	50c	Nov 1	Oct. 15
Can. Converters	5%	1¼%	Nov. 15	Oct. 31
Chase, A. W., pref.	8%	2%	Nov. 10	Oct. 31
Disher Steel, pref. "A"	$1.50	37½c	Nov. 1	Oct. 15
Dom. Scottish Invest., pfd.	5%	1¼%	Nov. 1	Oct. 20
De Forest Crosley	80c	20c	Nov. 1	Oct. 15
Dom. Tar & Chem., pfd.	6½%	1⅝%	Nov. 1	Oct. 6
Dome Mines	$1	25c	Oct. 20	Sept. 30
East. Utilities Invest., part pfd.	7%	$1.75	Nov. 1	Sept. 30
Do., pfd.	6%	$1.50	Dec. 1	Oct. 31
Do., pref.	7%	$1.75	Dec. 1	Oct. 31
Do., prior pfd.	$5	$1.25	Jan. 2	Nov. 28
Eastern Dairies, com.	$1	25c	Nov. 1	Oct. 15
Enamel & Heating	$1	25c	Nov. 1	Oct. 15
Eastern Theatres, com.	$2	50c	Dec. 1	Oct. 31
Federal Grain, pfd.	6½%	1⅝%	Nov. 1	Oct. 15
Foreign Pr. Secs., pfd.	6%	1½%	Nov. 15	Oct. 31
Foundation Co.	$1	25c	Nov. 15	Oct. 31
Granby Cons.	$2	50c	Nov. 1	Oct. 17
Humberstone Shoe	$2	50c	Nov. 1	Oct. 15
Utilities, pref.	$7	$1.75	Nov. 1	Oct. 17
Imperial Bank	12+1%	3+1%	Nov. 1	Sept. 30
Inter. Nickel pref.	7%	1¾%	Nov. 1	Oct. 2
Mercury Mills, pref.	6%	1½%	Nov. 1	Oct. 15
Mexican L. & Pr., cum. pfd.	7%	$3.50	Oct. 31	Oct. 15
Do. cum. red. 2nd pfd.	4%	2%	Oct. 31	Oct. 16
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Muirheads, pref.	....	25c	Nov. 1	Oct. 15
Northern Ont. Power, pfd.	6%	1½%	Oct. 25	Sept. 30
Do., com.	$2	50c.	Oct. 25	Sept. 30
Nipissing Mines	30c	7½c	Oct. 20	Sept. 30
Penmans	$4	$1	Nov. 15	Nov. 5
Do., pref.	6%	1½%	Nov. 1	Oct. 21
Russell Motor, com.	5%	1¼%	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Simpsons, Ltd., pref.	6½%	1⅝%	Nov. 1	Oct. 25
Do., class "A"	$2	50c	Nov. 1	Oct. 25
Simpson, Robt., pfd.	6%	3%	Nov. 1	Oct. 15
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 1
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 1
Southern Can. Pr. c.	$1	25c	Nov. 15	Oct. 31
Service Stn. prd. and "A"	6%	1½%	Nov. 1	Oct. 15
Teck-Hughes	60c.	15c.	Nov. 1	Oct. 17
Union Natural Gas	..	35+5c	Dec. 10	Oct. 15
Western Steel Prod., pfd.	6½%	1⅝%	Nov. 1	Oct. 15
Waterloo Mfg. "A"	$1	25c	Nov. 1	Oct. 15

*Bonus.
† Stock dividend of 1 share for each 50 shares held on Oct. 31, 1930.

Flood, Barnes Active Bond Prices

Oct. 13, 1930.

	Price	Next Interest Date	Yield
Abitibi Power & Paper 5/53	75	Dec. 1	7.25
Algoma Steel Corpn. 5/62	70	Apr.	6.80
Argentine Govt. 6/58 Series B	89	Dec. 1	6.96
Bell Tel. of Canada 1st 5/57	105¾	Dec.	4.62
British American Oil 5/45	101½	Mar. 1	4.85
B. C. Power Corp. 5½%, 1960	101½	Mar. 1	5.40
Brazil, U.S. Ext. S.F. 6½/57	51	Apr. 1	...
Calgary Power Co. 5% 1960	97½	Apr. 1	5.15
Can. Cement Co. 1st Mtge. S.F. 5½/47	101½	Nov. 1	5.40
Can. Biscuit Co. Ltd. 6½/46	84	Nov. 1	8.31
Can. North. Power 6%, 1953	95½	Nov.	5.34
Canada Power & P. 5½/58	60	Jan. 1	9.25
Can. Light & Power 1st S.F. 5/49	97	Jan. 1	5.25
Can. S.S. Lines 6/41 1st & Gen.	87	Feb. 15	7.76
C. N. R. Dom. Can. 4¾ 1955	103½	Dec. 15	4.52
C. P. Ry. Coll. Trust 5/34	105½	Dec. 1	4.61
C. P. Rly. Secured 4½/44 Notes	98½	Dec. 1	4.65
Can. Goodrich Income 7/48	60	....	...
Chile Republic Ext. S.F. 6/60	75	Apr. 1	8.25
Colombia Repub. Ext. S.F. 6/61	65	Apr. 1	...
Dom. Iron & Steel Consol. S.F. 5/39	98	....	...
Dom. Square Corp. 5/48	84	Apr. 1	6.54
Dominion Tar & Chemical Debs. 6/49	100½	Jan. 2	5.95
Duke Price Power 1st 6/66	106	Nov. 1	5.65
Eastern Dairies Convertible 6/49	102	Nov. 1	5.83
Foreign Power Securities 6% 1949	101	Dec. 1	5.90
French Nat. Mail Ex. S.F. 6/52	103	Nov.	5.83
General Steel Wares 1st S.F. 6/52	95	Nov. 1	6.42
Gatineau Power Co. 1st Mtge. 5/56	98½	Dec. 1	5.12
Gatineau Power S.F. Debs. 6/41	99½	Dec. 1	6.95
Howard Smith P.M. 5½/53	92½	Dec. 1	6.10
Manitoba Power 1st S.F. 5½/51	102	Jan. 1	5.35
Massey-Harris Co. 1st Mtge. 5/47	95	Apr. 15	5.45
Montreal Coke 1st S.F. 5½/47	102	Dec. 1	5.22
Montreal Island Power 5½/57	100½	Nov. 1	5.45
Montreal Power 5/51	104½	Apr. 1	4.70
Montreal Tram. 1st Coll. Trust 5/41	101½	Jan. 1	4.82
Montreal Tram. Gen. Ref. 4½/55	90	Apr. 1	5.22
Montreal Tram. Gen. 5/55	97	Apr. 1	5.21
Nova Scotia Steel & Coal 1st 5/59	72	Jan. 1	7.86
Nova Scotia Steel & Coal 6 deb.	46	....	...
Northwestern Utilities 1st 7/38	104	Dec. 1	6.25
Power Corp. of Canada 4½/59	92	Mar. 1	5.03
Price Bros. 1st S.F. Series A 6/43	104½	Feb. 1	5.52
Quebec Power 1st Mtge. Coll. S.F. 5/68	103½	Dec. 1	4.80
Rio de Janeiro Trams. 5/35	99	Jan.	6.25
Shawinigan W. & P. 4½/68	98	Dec. 1	4.81
Simpsons 6/49	102	Jan. 2	5.82
Sou. Canada Power 1st 5/55	102½	Apr. 1	4.83
United Securities Coll. Trust 5½/52	101½	Nov. 1	5.36
Wayagamack P. & P. 1st S.F. 6/51	97	Feb. 1	6.25
Winnipeg Electric Ref. 6/54	102	Apr. 1	5.85

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Approx. Yield
Alberta	4½	1 Oct. 1958	1 Apr.	100.00	4.50
Alberta	5	1 Jul. 1943	1 Jan.	102.39	4.65
Alberta	6	1 Apr. 1936	1 Apr.	106.46	4.75
British Col.	4½	1 Oct. 1953	1 Apr.	100.00	4.50
British Col.	5	15 Jan. 1948	15 Jan.	104.16	4.65
British Col.	6	15 Aug. 1941	15 Feb.	111.98	4.60
Manitoba	4	1 Jul. 1947	1 Jan.	94.10	4.50
Manitoba	5	2 Jun. 1959	2 Dec.	105.54	4.65
Manitoba	5	15 Jun. 1943	15 Dec.	104.82	4.50
N. B.	4½	1 Jun. 1943	1 Dec.	100.00	4.50
N. B.	4¾	15 Jun. 1936	15 Dec.	100.78	4.60
N. B.	6	1 Jan. 1936	1 Jan.	106.24	4.70
Nova Scotia	4½	15 Nov. 1948	15 Nov.	100.00	4.50
Nova Scotia	5	1 May 1943	1 Nov.	104.38	4.55
Nova Scotia	6	1 Nov. 1936	1 Nov.	107.79	4.60
Ontario	4½	1 Sep. 1944	1 Mar.	101.03	4.42
Ontario	5	15 Oct. 1948	15 Oct.	106.12	4.50
Ontario	6	2 May 1936	2 Nov.	107.27	4.60
P. E. I.	4	1 Apr. 1939	1 Apr.	96.50	4.50
P. E. I.	4½	1 Oct. 1944	1 Apr.	100.00	4.50
Quebec	4½	1 Jun. 1946	1 Dec.	101.14	4.40
Quebec	5	1 Mar. 1964	1 Mar.	108.61	4.50
Saskatchewan	4½	1 Oct. 1944	1 Apr.	100.00	4.50
Saskatchewan	5	1 Oct. 1950	1 Apr.	105.19	4.60
Saskatchewan	6	1 Feb. 1936	1 Feb.	106.24	4.70
Cities					
Montreal	5	1 Sep. 1963	1 Mar.	107.65	4.55
Toronto	4½	1 Sep. 1954	1 Mar.	100.00	4.50
Vancouver	4	1 Aug. 1946	1 Feb.	93.26	4.60
Winnipeg	5	1 Mar. 1944	1 Mar.	104.50	4.55
Windsor	5	1 Dec. 1937	1 Dec.	101.25	4.80
Edmonton	5½	1 May 1945	1 Nov.	106.32	4.90
Calgary	5	1 Jan. 1943	1 Jan.	100.93	4.90
Halifax	5	1 Jul. 1951	1 Jan.	105.35	4.60
St. John	5	15 Dec. 1950	1 Dec.	105.27	4.60
Regina	4½	1 Jul. 1950	1 Jan.	95.55	4.85
Victoria	5	21 Jul. 1945	21 Jan.	103.20	4.70

Montreal, Toronto and Curb Stocks

High	Low	Divd.	Yield		Close Oct. 6	High	Low	Close
25	17	.	...	Windsor Hotel	18	17	17	17
82½	78	6.50	8.33	Do. pref.	78	..	..	..
54	23	2	7.40	Winnipeg Elec.	29	29	23	24
104½	98	7	7.14	Do. pref.	100	100	98	98
x80	80	.	...	Woods Mfg.	80	..	..	..
74	74	7	9.45	Do. pref.	74	..	..	..
85	72	7	9.72	Wood, Al., 1 pf.	72	..	..	..
2⅛	1⅓	.	...	Zimmerknit	1¾	..	..	..
25	4	.	...	Do. pref.	11	..	..	..

x Quotation for 1929. No sales recorded in 1930 to date.
† $1 each for 1928 and 1929 and 50c interim. a. Stock dividend
b. New York quotations.

Unlisted Canadian Securities

(Furnished by A. J. Pattison, Jr. & Co. Ltd.)
Oct. 14, 1930

Industrial Stocks	Bid	Ask
Allens London pfd.	44.00	....
Border Cit. Htl. pf.	....	20.00
B.C. Pulp & Paper pfd.	60.00	....
B.C. Pulp & Paper com.	3.50	....
Burns Pfd. Bonus 25% com.	....	60.00
Calgary Power 6% pfd.	96.50	98.50
Canada Biscuit pfd.	....	23.50
Can. Crush. Stone pfd.	60.00	....
Can. Light & Power com.	30.00	....
Can. Machinery c.	3.00	14.00
Can. Machinery pf.	30.00	35.00
Can. Northern Pr. pfd.	107.00	....
Can. Packers c.	25.00	31.00
Can. Packers 7% pfd.	97.50	100.00
Can. Wire & Cable pfd. W.W.	101.50	....
Can. Indust. c. "A"	140.00	200.00
Can. Indust. c. "B"	140.00	200.00
Can. Indust. pfd.	121.00	....
Can. Invest. c.	....	15.50
Can. West. Nat. Gas LH & P pfd.	94.00	98.00
Can. Westinghouse	83.00	88.00
Chase, A. W., pfd.	47.00	52.00
Clifton Co. Ltd.	110.00	145.00
Copeland Flour pf.	....	18.00
Dominion Alloy pf.	1.00	2.00
Dominion Alloy c.	....	.20
Dom. Foundries & Steel pfd.	65.00	....
Dom. Linens pfd.	....	22.00
Dom. Mfrs. pfd.	75.00	....
Dom. Mfrs. com.	7.00	....
Dom. Sugar com.	16.00	21.00
Dom. Woollens c.	....	6.00
Dunlop Tire 7% pfd.	101.00	....
Eastern Car pfd.	....	70.00
Eastern Dairies pf.	95.00	101.00
Frost & Wood c.	....	12.00
Gen. Steel Wares 7% pfd.	....	73.00
Goderich Elevator	15.50	18.00
Greening Wire 7% pfd.	98.00	....
Guardian Realty pf.	56.00	....
Inter-City Baking c.	....	72.00
Inter. Proprie. "A"	30.00	34.00
King Edward Htl. "A" 8%	40.00	46.00
King Edward Htl. "B" 8%	....	42.00
Kingston Ship Bldg. pfd.	14.00	18.00
Kingston Ship. Bldg. com.	6.00	10.00
Loew's London c.	....	2.50
Loew's London pfd.	....	5.00
Massey Harris pfd.	77.50	....
Milton Brick pfd.	....	30.00
Nat'l. Grocers c.	1.00	2.25
Nat. Grocers 2nd pf.	44.00	....
N. Ont. Power pfd.	81.00	....
Ottawa LH & P pf.	98.00	....
Para. Kitchener pf.	30.00	....
Para. Oshawa pfd.	43.00	....
Power Corp. pfd.	100.00	104.00
Provincial Paper pf.	....	89.00
Reliance Grain pfd.	....	77.00
Rogers Majestic Radio	13.00	17.00
Stand. Clay Prod. c.	30.00	....
Standard Fuel pfd. bonus	80.00	88.00
Supertest "B" pfd.	15.00	20.00
Toronto Ball Club	....	60.00
Toronto Brick pfd.	65.00	....
Toronto Carpet pf.	100.50	....
Toronto Carpet c.	112.00	....
Toronto Elev. pfd.	....	85.00
United Amusement "A"	29.00	34.00
Western Grain pfd.	[illegible]	[illegible]
bonus	....	[illegible]
Willards Choc. pfd.	67.00	[illegible]
Willards Choc. c.	3.50	....
Trust & Loan Stocks:		
Br. Mtge. & Trust	205.00	[illegible]
Can. Gen. Inv. Trust 1st	....	65.00
2nd Can. Gen. Inv.	10.00	13.00
Capital Trust	....	80.00
Chartered Trust	96.00	110.00
Commercial Fin. c.	10.00	....
Commercial Fin. pf.	....	70.00
Deb. & Sec. pfd.	65.00	....
Deb. & Sec. com.	80.00	100.00
Guelph & Ont. Inv. par $50	60.00	[illegible]
Lambton Loan & Sav.	78.00	....
London & Western Trust	....	200.00
Midland Loan & Sav.	19.00	[illegible]
Mtge. Discount pf.	4.50	[illegible]
Mtge. Discount c.	.40	[illegible]
Mutual Finance c.	6.00	[illegible]
Mutual Finance pf.	6.00	[illegible]
Peoples Loan & Sav.	84.00	....
Premier Trust	84.00	....
Sec. Loan & Sav.	116.00	....
Sherbrooke Trust	117.50	....
Sterling Trust	85.00	[illegible]
Traders Finance "A" pfd.	....	[illegible]
Traders Finance "B" pfd.	....	[illegible]
Traders Finance c.	15.00	[illegible]
Trusts & Guarantee	81.00	[illegible]
Waterloo Trust & Sav.	127.50	[illegible]
Insurance Stocks:		
Br. Amer. Assce.	52.00	[illegible]
Can. Fire Ins.	85.00	[illegible]
Canada Life	650.00	[illegible]
Can. National Fire	24.00	[illegible]
Capital Life	30.00	[illegible]
Continental Life		
Confed. Life 20% pd.	300.00	[illegible]
Continental Life 20% pd.	78.00	[illegible]
Crown Life %	325.00	[illegible]
Dominion Fire	116.00	[illegible]
Dom. Can. Gen. Ins.	225.00	[illegible]
Dom. Life 50% pd.	[illegible]	[illegible]
Excelsior Life 30% pd.	111.00	[illegible]
Fed. Fire 25% pd.	88.00	[illegible]
Fidelity Ins. of Can.	120.00	[illegible]
Great West Life	450.00	[illegible]
Guar. Co. of N.A.	255.00	[illegible]
Halifax Fire	18.00	[illegible]
Imperial Life	425.00	[illegible]
Manufacturers Life	370.00	[illegible]
Monarch Life 10% pd.	32.00	[illegible]
Nat'l Life 25% pd.	105.00	[illegible]
N. American Life	....	[illegible]
Saskatchewan Life	18.00	[illegible]
Sovereign Life	35.00	[illegible]
Sun Life	1850.00	[illegible]
Toronto Casualty	6.00	[illegible]
Western Assurance	[illegible]	[illegible]
Western Life	12.00	14.00
Recent London Quotations		
Brewer Distillers	[illegible]	[illegible]
Can. & For. Sec.	[illegible]	[illegible]
Can. West. Lumber	[illegible]	[illegible]
Hudson's Bay	[illegible]	[illegible]
Do., 5% pfd.	[illegible]	[illegible]
Internat. Holding	[illegible]	[illegible]
Wall Paper Mfg. Pref. 5%	[illegible]	[illegible]

The Canadian General [illegible] furnish the following [illegible]:

	Bid	Ask
Can. Gen. Inv. Trust	[illegible]	[illegible]
Traders Fin. 'A' pfd.	[illegible]	[illegible]
Traders Finance 'B'	[illegible]	[illegible]
Traders Finance, com.	[illegible]	[illegible]

Listed Bond Quotations

Week Ending October 13

	Int. Rate	Due	Yield	Latest Ask	High	Low	Range
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Foreign Exchange

NEW YORK FUNDS

	High (Discount)	Low	Last Year High (Premium)	Low
October 8	7-64	1-8	1 1-8	[illegible]
October 9	5-64	3-32	1 3-16	[illegible]
October 10	1-16	5-64	1 11-64	[illegible]
October 11	6-64	7-64	1 3-16	[illegible]
October 13	7-64	1-8	1 5-32	[illegible]
October 14	5-64	7-64	1 9-64	[illegible]

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
October 8	4.85 3-4	3.92 5-16	[illegible]
October 9	4.85 3-4	3.92 1-4	[illegible]
October 10	4.85 11-16	3.92 3-16	[illegible]
October 11	4.85 11-16	3.92 3-16	[illegible]
October 13	....	....	....
October 14	4.85 21-32	3.91 7-8	[illegible]

FOREIGN EXCHANGE

Par		Sept. 30	Oct. 7	Oct. 14
5.263	Italian	5.23¼	5.22¾	[illegible]
23.80	German	23.77	23.76	23.73
13.90	Belgian	13.92½	13.91½	[illegible]
49.86	Japanese	49.45	49.50	49.50

Winnipeg Stock Exchange

October 6

	Bid	Ask
Beaver Fire	..	120
Beaver Lumber c.	..	19
Do., pref.	..	105
Can. Fire Ins.	..	92
Can. Indemnity	125	...
Crescent Creamery	94½	95
Gt. West Life	..	690
Home Investment	..	70
Monarch Life	28	[illegible]
North. Can. Mtg.	..	[illegible]
North. Mtge. par pd.	13	..
Northern Trust	..	45
Sovereign Life	..	46
Traders Bldg.	90	94
West. Breweries	5	6
Un. Gr. Growers	14¾	15

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

JAM. PUB. SERVICE ADDS NEW TURBINE TO PLANT CAPACITY

Merchandise Sales Show Gains—Output is Increased

From Our Own Correspondent

MONTREAL.—The new 2,000 k.w. turbine unit at the Gold St. station of Jamaica Public Service Co., subsidiary of Jamaica Public Service, Ltd., is ready for use, and two boilers in this unit have been rebuilt for oil operation. Output continues to show gains, though net earnings in August and September were slightly lower in comparison with corresponding months in 1929, due largely to higher interest charges.

The outlook for continued gains in production is encouraging. Residence customers in the territory served are reported to be taking advantage of the floor area rates issued by the company and numerous changes are being made monthly from the general residential lighting rates. It is held that this is an indication of a greater demand for electric service.

Merchandise sales have shown increases, while irrigation pumping installations in August amounted to 124,199 k.w.h., a record for the company.

Banana Crop Good

Though general trade conditions in Jamaica continue slow, exports of bananas this year are expected to be greater than in any previous year. Shipments between January and September have amounted to 18,115,889 stems as compared with 15,346,000 stems last year.

Production of wealth on the island centres almost entirely on bananas. During 1929, Jamaica shipped approximately 21,000,000 stems which compares with approximately 12,000,000 stems five years ago. The price received was better than the average of recent years, and considering agricultural conditions the world over, the banana grower in Jamaica is perhaps the only producer who has not only been enjoying good crops, but has received for them a profitable price.

Steady progress of Jamaica Public Service, Limited, was reflected in the declaration of an initial dividend of 25 cents a share in September, 1930. The first quarterly payment indicated an annual distribution of $1 a share on the 44,985 shares of no par value outstanding.

Earnings in 1929 were equal to $2.05 a share on the common stock.

Drummond's Foodshops Are Not Yet Financed

Drummond's Restaurants—according to news received from Cambridge, England—is once more seeking to finance in Canada the establishment of "multiple restaurants run on English lines." Seeing an article in The Financial Post of August 21 to the effect that A. Drummond, promoter of the company, was seeking to finance the company in England by selling preferred and common stock, a reporter of a British paper called at the address, 3 Brooklands Avenue, Cambridge, England, given in the sales prospectus used in England.

The English reporter ascertained at this address that A. Drummond had given up the effort to sell the stock in England after a two months' trial and had gone back to Canada in the hope of raising the money.

DOMINION BRIDGE GETS FIRST ORDER ON C. N. R. PROJECT

Terminal Requirements May Involve 100,000 Tons of Steel

From Our Own Correspondent

MONTREAL.—Dominion Bridge Co. has received its first order in connection with the Canadian National Railways terminal project in Montreal. The contract involves about 1,800 tons of structural steel for the superstructure of that portion of the main viaduct which lies between St. Antoine and Ottawa Streets.

While the order awarded to Dominion Bridge is of comparatively modest proportions, it is encouraging. It is expected that it is the forerunner of other contracts in connection with this work, which will involve a total structural steel requirement amounting to about 100,000 tons. Followers of Dominion Bridge are anticipating further substantial contracts for the company.

Good Business Pending

There is also a good volume of business in the offing such as the extension to the Bell Telephone Building, Montreal, and three or four bridges in the Province of Quebec. Further, the company is likely to benefit to some extent from the $80,000,000 of work which will be expended on public works in connection with the Government's unemployment relief campaign.

The company's subsidiary, Dominion Engineering Works, Ltd., has done well this year. It is reported that the full year's dividend requirements of $4 a share were earned in the first six months of the subsidiary's fiscal year. Dominion Bridge Co. owns about 71,250 shares of Dominion Engineering Works, and income derived from these holdings amounts to approximately $285,000 a year.

Make Good Showing

As far as results of Dominion Bridge for the year ended October 31, 1930, are concerned, it is expected that the company will make a good showing. While business has varied considerably at different plants during different periods of the year, there should be included in the statement profits from the big International Nickel contract and the balance of the profits from the Harbor Bridge.

In the last fiscal year earnings amounted to $5.46 a share. While it is not expected that profits will be as large this year, the returns are expected to be in excess of dividend requirements of $3.60 a share.

E. B. Eddy to Build Filtration Plant

From Our Own Correspondent

MONTREAL.—E. B. Eddy Co. is preparing plans for the erection of a modern filtration plant and bleaching plant at the present site of its sulphite mill in Hull. Construction of this unit is another step in the expansion programme the company has had under way for the past twelve months.

A year ago it was reported that the company planned the erection of a $1,500,000 paper mill and would carry out various extensions and improvements to existing properties. While new equipment has been installed during the past twelve months and a new tissue machine has been brought into operation, major plans have been delayed on account of the general business conditions.

Eventually it may be expected that the Eddy Co. will carry out a comprehensive rearrangement of its present manufacturing facilities, but it is understood that for the present the company will content itself with the construction of a new filtration plant.

Christie, Brown & Co. Plant Is New Winnipeg Industry

Christie, Brown & Co., subsidiary of National Biscuit Co., has acquired property in Winnipeg on which a new plant will be erected. The new bakery to be completed within nine months will represent an investment of some $750,000 and will give employment to approximately 100 people.

The lay-out of the proposed plant will permit "straight line production" and all of the different steps in operation will be on one floor. The plant will have the first oven in Canada and one of the first in the continent of the English type known as an automatic baking and cooling plant which combines the cutting, baking and cooling processes in one continuous operation.

DOMINION COAL MAY REAP BENEFIT OF IMPORT RULING

Russian Coal Importers Agree to Armistice for Winter

From Our Own Correspondent

MONTREAL.—An improvement in the colliery operations of Dominion Steel & Coal Corp. this winter, is anticipated as a result of the Government's decision to ban the importation of Russian coal. Steps have been taken to ensure that no more coal from Russia will be shipped this fall or winter, and action will be taken by the Government under the dumping clause of the Customs Act to prevent any further unloadings.

Some of Dominion Steel & Coal Corp.'s mines in Cape Breton are working on short time and output has shown a decline. In September there were hoisted 375,050 tons in the company's colliery, as compared with 478,564 tons in September, 1929. The output for the previous month of August was 430,002 tons.

Output of Dominion Coal Co., the largest unit in the business, fell from 336,396 tons in September, 1929, and 312,910 tons in August, 1930, to 256,995 tons in September, 1930.

Importers Give Word

Though Canadian importers of Russian coal have given to the Government an understanding that importation of this coal will cease for the fall and winter months, indications are that opinions differ as to the new ruling. The importers point out that they are anxious to cooperate with the Government in relieving the unemployment problem and hope that the suspension of imports will have the desired effect on Nova Scotia coal production. But it is stated that the policy of banning Russian anthracite is far from being unanimous in the minds of the public, and that material has been placed before the Government to show that the coal is not a competitor of Nova Scotia coal.

Dominion Coal Co., a subsidiary of Dominion Steel & Coal Corp., operates sixteen mines in Cape Breton county, having a combined capacity of 20,000 tons daily. During the last ten years the average output from the mines has been 3,000,000 tons annually.

Net operating profits in 1929 showed a gain over the previous year amounting to $1,745,094 as compared with $1,181,813 in 1928.

Plan Preferred Issue of Morrow Screw Co.

Reorganization of the capital structure of John Morrow Nut & Screw Co., Ingersoll, is planned in the near future because of the falling due next June of the first mortgage bonds of the company, of which there are approximately $416,000 outstanding of an original issue of $1,000,000.

It is proposed to authorize the issue of sufficient preferred stock to pay off the maturing bonds. It is understood that no further financing will be done, as the company is stated to be in excellent financial position.

The stock of the company is not listed and is closely held. Col. Fred H. Deacon, president, is the principal stockholder.

Bey Mines Resumes Exploration

Bey Mines, Ltd., successor to Ore Chimney Mines Ltd., is reported to have secured financial backing and to be carrying out a diamond drilling programme on its property near Tweed, Ont. One hole has been completed to a depth of 1,000 ft. and another is under way. Former development of the property which included a 400 ft. shaft and lateral work gave results which were considered as being inconclusive.

Canadian Quotations--Cont'd

Winnipeg Grain Prices

Week to October 14

Crop Year High	Crop Year Low		Oct. 8 Open	High for week	Low for week	Oct. 14 Close
		Wheat				
1.44¼	.68⅝	October	.72⅛	.73⅝	.67⅝	.70⅛
.88⅝	.68¼	November	.74	.73⅞	.68¼	.71⅛
1.18⅞	.69	December	.74¾	.75⅛	.69	.72
1.18⅛	.74⅛	May	.81	.82¼	.74⅛	.77⅜
		Oats				
.60⅛	.28⅝	October	.32	.34	.30⅛	.33¼
.49	.30	December	.30⅝	.32¼	.30	.31⅞
.52	.34	May	.35½	.36	.34	.35⅝
		Barley				
.60	.27⅛	October	.28¾	.29⅞	.27⅛	.29⅝
.31⅝	.29	November	....	.30½	.29	.30½
.52	.29	December	.31	.32	.29	.31½
.49	.34½	May	.36⅝	.37⅜	.34½	.36⅞
		Flax				
2.35	1.26½	October	1.30	1.31½	1.26½	1.29
1.90	1.25	December	1.28	1.29½	1.25	1.27¾
1.52½	1.31	May	1.36	1.37	1.31	1.34¼
		Rye				
.84	.34	October	.36	.37¾	.34⅞	.37⅜
.71	.36⅝	December	.38⅝	.39⅝	.36⅝	.39¾
.75	.42¼	May	.44½	.46	.42¼	.46

Mining Stock Quotations

Week Ending October 13.

Par Val.	Range 1930 High	Range 1930 Low	Company	Close Oct. 6 (or last)	High for week	Low for week	Close Oct. 13
1	1.42	.23	Abana	.25	.28	.23	.23
1	.09½	.01	Aconda	.02	.02	.01	.02
None	.50	.32	Aladdin	.33	....	....	....
None	.50	.30	Aldermac	.40	....	....	....
1	.02½	.00¼	Algonquin	.01½	.01½	.01	.01½
1	.19	.01½	Amity C.	.02	.02	.02	.02
None	1.95	.25	Amulet	.30	.34	.25	.25
1	.02½	.01½	Ankerite	.02½	....	....	....
1	.04	.00½	Apex	.02½	.02½	.01½	.02½
1	.10	.03	Area	.03	.03	.03	.03
1	.02	.00½	Argo. Con.	.00½	....	....	....
1	.30	.00½	Arno	.02½	.03	.02½	.02½
1	.03	.00½	Astoria	.00½	....	....	....
1	.01	.00½	Atlas	.00½	....	....	....
1	.08½	.01½	Baldwin	.01¼	.01¼	.01½	.01½
1	.25	.10½	Barry Holl.	.13	.12½	.10½	.11½
None	4.45	1.10	Base Metals	1.65	1.60	1.10	1.20
None	.05	.01½	Bathurst	.02	....	....	....
5	6.10	2.70	B'Wana	2.70	....	....	....
1	.32	.12	Bedford	.15	....	....	....
1	.11	.02	Bidgood	.03½	.03½	.03½	.03½
1	1.04	.36	Big Missouri	.50	.51	.40	.45
1	.11	.02	Bobjo	.02	....	....	....
None	.01½	.00½	Boischatel	.00½	.00½	.00½	.00½
1	.08	.03	Brett Trethewey	.06½	.06½	.05½	.05½
1	.06	.03	Brit. Canadian	.05	.06	.03	.06
None	.14	.01½	Brownlee	.05½	....	....	....
1	.02½	.00½	Buckingham	.01	.00¾	.00¾	.00¾
None	.10½	.01¾	Bunker Hill	.07	.07	.04½	.04½
None	.08	.02½	Cal. Flin Flon	.05½	....	....	....
None	.65	.12	Canam Metals	.12	.12	.12	.12
1	.08	.00½	Can. Kirk.	.02½	.02½	.02	.02
1	.06	.02	Can. Lorraine	.02	....	....	....
.	.15	.15	Canusa	....	.15	.15	.15
1	.03	.00½	Capital R.	.00¾	....	....	....
1	.28	.15	Castle Tre.	.16	16	16	16
1	29	05	Cen. Man.	10	07	05½	05½
1	31	.02	Cen. Patricia	.03	.05½	.04	.05
1	.07½	.04½	Chaput H.	.04½	....	....	....
None	1.05	.10	Chib. Pros.	.10	....	....	....
None	.08½	.00¾	Clericy	.07	.07	.05	.05½
5	24.00	4.00	Coast Copper	8.00	6.50	4.00	6.50
1	.42	.04	Cobalt Con.	.04	.04½	.04	.04
1	.01	.00¾	Col. Kirk.	.00½	....	....	....
1	1.17	.09¾	Columario	.10	.10	.09¾	.09¾
5	1.40	.80	Coniagas	.95	....	....	....
5	.60	.15	Coniaurum	.30	.31	.30	.30
25	280.00	140.00	Cons. Smelters	168.00	167.00	140.00	145.00
1	.02	.00½	Corona	.01	....	....	....
1	.02	.00½	Crown Res.	.01	.01	.00½	.00½
None	.39½	.06	Dom. Explor.	.07	.06	.06	.06
None	10.20	7.00	Dome Mines	8.50	8.75	8.20	8.50
1	.01½	.00½	Dom. Kirk.	.00½	....	....	....
1	.01	.01	Don. Rouyn	.01	....	....	....
1	.05	.00½	Dunkin	.01	....	....	....
1	.04	.01	Duprat	.01½	.02	.01½	.01½
None	.04	.03	Engineers Hold.	.03	....	....	....
1	.01	.00½	Everett	.00½	....	....	....
None	6.50	1.25	Falconbridge	1.85	1.80	1.25	1.49
1	.02½	.00½	Federal	.01½	.01½	.01½	.01½
.	.05½	.00½	Flintoba	.00¾	....	....	....
None	.24½	.12	Gem Lake	.14	....	....	....
None	.07	.01	Gilbec	.01	....	....	....
1	.04½	.02	Goldale	.02	....	....	....
.	.57	.25	Goldfield	.27	....	....	....
1	.02	.00¼	Gold Hill	.00¼	....	....	....
1	.10	.02½	Goodfish	.03	.04	.03	.04
1	.03½	.01	Graham	.01½	.01	.01	.01
None	2.05	1.00	Granada	1.25	1.35	1.20	1.20
1	.01	.00¼	Grover Daley	.00¼	....	....	....
.	.10	.03½	Grozelle	.05	....	....	....
1	.03	.01	Harker	.02	....	....	....
1	.18	.10½	Hayden	.10½	....	....	....
1	.01	.00¼	Hilltop	.00½	....	....	....
5	6.65	4.90	Hollinger	6.10	6.25	5.90	6.10
1	1.40	.19	Howey Gold	.26	.27	.19	.19
None	14.65	5.15	Hudson Bay	6.00	5.75	5.15	5.40
None	44.50	16.50	Int. Nickel	20.00	20.25	16.50	17.00
1	.03½	.01½	Jackson M.	.01½	.01½	.01½	.01½
1	.40	.27	Keeley	.28	.28	.27	.27
1	.04	.01	Keora M.	.01¼	....	....	....
1	.01¾	.00½	Kirk. Hunt	.00½	....	....	....
1	.95	.45	Kirk. Lake	.51	.50	.45	.46
1	.03½	.01	Kirk. Prem.	.01	.01	.01	.01
20c.	.08	.01	Koot. Flor.	.02	....	....	....
.	.02	.02	La Rose	.02	....	....	....
1	24.75	19.00	Lake Shore	23.75	24.00	22.75	23.50
1	.04	.00½	Laval	.01	.00¾	.00¾	.00¾
1	.01	.00¼	Lorraine C.	....	.00½	.00½	.00½
1	.13	.06	Macassa	.07½	.10	.07	.07
1	.07	.01½	Malartic	.02	....	....	....
None	.35	.10	Mandy	.15	.15	.14	.15
None	.17	.03	Man. Basin	.04	.03½	.03	.03
None	.30	.12	McDougall	.19	....	....	....
1	.60	.25	McKinley	.25	.32	.25	.25
5	19.80	15.05	McIntyre	18.25	18.50	17.50	18.00
1	.30	.04	McVittie	.04	....	....	....
5	3.60	.50	Mining Corp.	.95	.98	.50	.70
1	.01¾	.00½	Mint Ore	.00½	....	....	....
1	.04½	.01	Moffatt Hall	.01½	.01½	.01½	.01½
1	.04	.02	Moneta	.02½	....	....	....
1	.50	.10	Moss	.27	.26	.26	.26
1	.05½	.01½	Murphy	.01½	....	....	....
1	.26	.05	Newbec	.06	.06	.05	.05¼
1	.05½	.03	Night Hawk	.03½	....	....	....
5	1.85	1.00	Nipissing	1.25	1.25	1.10	.25
None	44.25	14.00	Noranda	18.00	18.30	14.00	14.50
1	.46	20	Nor. Canada	.25	.25	.25	.25
None	.07	.02	Old Colony	.02¼	.02½	.02½	.02½
1	1.36	.10	Oriole	.43	....	....	....
1	.30	.10	Osisko	.11	....	....	....
.	27.50	26.00	Pando a Units	.04	....	....	....
1	.03	.01¼	Pawnee Kirk.	.02	....	....	....
None	5.15	.70	Pend. Ore.	.90	.91	.85	85
1	.19½	.04	Pete. Cobalt	.06	.06½	.04¼	.05
1	.01½	.00¼	Picard	.00¼	....	....	....
1	.20	.09	Pioneer	.10	.09½	.09½	.09½
1	.01¼	.01	Potter Doal.	.01	.01	.01	.01
1	1.60	.76	Prem. Gold	.85	.80	.76	.79
1	.70	.04	Quemont	.05	.07	.06¼	.07
1	.03	.00¼	Ribago	.00½	....	....	....
1	.10	.02	Ritchie	.06	.06½	.05	.06½
1	.04	.00¼	R. Montbray	.01	....	....	....
1	.08	.01	Salmo Mal.	.01¼	....	....	....
None	.35	.11½	San Antonio	.13	.15	.11½	.15
1	.56	.40	Seven Troughs	.45	.50	.40	.50
1	3.50	.96	Sherritt G.	1.33	1.35	.96	1.04
1	.75	.24	Siscoe	.37	.41	.34	.38½
1	.04¼	.00½	So. Keora	.03½	....	....	....
None	.07	.02	Stadacona	.03	.03	.03	.03
1	.29	.04	St. Anthony	.06	....	....	....
.	.25	.11	Stewart Abate	.11	....	....	....
None	5.35	.80	Sud. Basin	1.00	1.03	.80	.81
1	.05	.01	Sud. Contact	.02	....	....	....
1	.01	.00¼	Sudbury M.	.00½	....	....	....
None	.20	.08	Sudbury N.	.12	....	....	....
1	1.00	.60	Sunloch	.74	....	....	....
1	1.02	.39	Sylvanite	.58	.55	.50	.52
1	.22	.06	Tashota	.06	....	....	....
1	7.30	4.70	Teck Hughes	6.40	6.75	6.00	6.30
1	.19	.05	Telluride	.07	....	....	....
1	.12	.02	Thom. Cad'c	.03	....	....	....
1	.03	.02	Temiskaming	.02½	....	....	....
1	.05½	.00½	Tough Oakes	.01	.02	.01	.02
1	1.50	.20	Towagmac	.30	.25	.20	.25
None	7.50	1.50	Treadwell Y.	1.55	1.50	1.50	1.50
None	3.25	2.75	Tri-Metals	2.75	....	....	....
.	.02	.02	United Kirk	.02	....	....	....
None	3.50	.58	Ventures	.70	.75	.65	.65
1	.50	.45	Vickers	.45	....	....	....
1	1.42	.60	Vipond	1.05	1.05	.90	.91
None	5.65	1.40	Waite Ack.	2.00	2.10	2.00	2.00
1	.03	.01	West D. Lake	.03	....	....	....
.	.09	.01¾	West Tree	.01¾	....	....	....
1	1.30	.15	White Lake	.18	.18	.15	.15
1	.24	.06	Whitewater	.06	....	....	....
1	.05½	.02	Wiltsey	.05	....	....	....
None	.01¼	.00¼	Windfall R.	.00¾	....	....	....
.	.07	.03	Wood Kirk	.03½	....	....	....
None	2.30	1.35	Wright-Har.	1.78	1.85	1.60	1.70
			WESTERN OIL STOCKS				
1	.70	.05	Acme	.44	.45	.33	.39
1	2.10	2.00	Admiral	2.00	....	....	....
None	1.25	.22	Advance	.23	....	....	....
1	3.75	.30	Alta. Pac.	.50	.50	.46	.47
None	2.00	.21½	Associated	.40	.46	.30	.38
1	2.91	.80	Ajax	2.00	2.00	1.55	1.55
None	1.60	.09	Baltac	.18	.18	.14	.14
1	.20	.07	Black Dia.	.07	....	....	....
1	.74	.25	Brit. Dom.	.31	.32	.30	.30
1	4.25	.43	Calmont	.63	.65	.55	.57
None	3.90	.50	Calgary & Ed.	.76	.70	.60	.60
1	1.00	.10	Comm. Pete.	.27	.26	.20	.20
None	.25	.10	Cypress	.12	....	....	....
1	.50	.45	Dallas	.50	....	....	....
None	3.50	.50	Dalhousie	.75	.73	.60	.60
None	.30	.05	Devenish	.09	.08½	.07	.07
None	.26	.05¼	Dome Oil	.10	.12½	.11	.11½
None	1.80	.13	E. Crest	.62	.90	.57	.73
1	.08½	.03	Fabyan Pete.	.03	.04	.04	.04
None	2.50	.70	Foothills	.70	....	....	....
None	1.00	.14	Freehold	.23	.23	.22	.22½
1	.20	.02	Great West.	.03	....	....	....
None	1.40	.10	Hargal	.20	.29	.22	.29
None	.45	.12	Herron Pete.	.18	....	....	....
None	.26	.05	High Sarcee	.07½	.07½	.07½	.07½
None	10.00	2.00	Home	2.90	3.00	2.45	2.55
None	.82	.15	Homestead	.24	.23	.19	.20
1	.55	.05	Ill. Alta.	.12	.12	.11	.11
None	2.35	.25	Lowery	1.00	.50	.38	.40
1	.20	.03	Madison	.05	.05	.04½	.04½
1	3.25	.40	Mayland	1.20	1.30	1.10	1.10
None	.33	.10½	McD.S.Ex.Can.	.15	.15	.13½	.13½
1	1.10	.38½	McD. S. N.	.41	.43	.41	.43
1	5.90	.85	McLeod	1.20	1.10	1.10	1.10
None	.87	.20½	Mercury	.30	.29	.27	.27
None	1.05	.03	Merland	.20	.19	.16½	.17
1	.42	.14	Mid West	.20	.20	.20	.20
None	2.10	.15	Mill City Pete.	.31	.32	.28	.28
1	.45	.18	Model	.34	.32½	.29	.31½
1	.91	.15½	Monalta	.25	.21	.20	.21
1	.23	.20	Moose M.	.20	....	....	....
1	.10	.03	New Federal	.03	....	....	....
None	2.32	.56	Nordon	.73	.73	.56	.60
None	.27	.08	Oil Select	.08	.08	.08	.08
None	2.10	.33½	Okalta	.51	.47	.42	.42
None	.25	.04½	Olga Gas & Oil	.10	.10	.07¾	.07¾
1	.58	.11	Petrol	.43½	.44	.33	.33
.	2.45	1.70	Penn. Pete.	2.30	....	....	....
None	.43½	.06	Ranchmen's	.12	.12½	.12	.12
1	.45	.06	Regent	.07½	.07½	.07½	.07½
None	.48	.05	Richfield	.14	.14	.13	.13
None	65.00	16.25	Royalite	24.00	24.00	21.25	21.50
1	1.48	.30	Sarnia Oil	.30	....	....	....
1	.50	.15	Sioux City	.15	....	....	....
1	.22½	.05½	Signal Hill	.07½	.08	.07	.07½
1	1.30	.35	Spooner	.49	.49	.45	.45
None	2.10	.25	So. West Pete.	.40	.36	.33	.36
None	1.08	.06	Sterling Pac.	.14	....	....	....
1	.60	.08	Turner Valley	.14	....	....	....
None	1.65	.27½	United	.35	.35	.30	.35
None	.83	.19	Vanalta	.19	....	....	....
1	.80	.11½	Vulcan	.15	....	....	....
None	.15	.02	Wainwell	.02½	.02½	.02	.02
1	1.75	.14	Waite Valley	.17	.20	.19	.20
			VANCOUVER STOCK EXCHANGE (Transactions Week to October 8)				
25c.	....	....	Bayview	.01	....	....	....
25c.	....	....	Bluebird	.03	.03	.03	.03
1	....	....	Cotton Belt	.18	.15	.15	.15
1	....	....	Duthie	.08	.15	.15	.15
1	4.50	1.05	George Copper	1.15	1.25	1.10	1.15
1	....	....	Georgia	.05	.04	.04	.04
1	1.90	.40	Golconda	.43	.43	.40	.40
50c.	.90	.05	Grandview	.05½	.05½	.05	.05¼
25c.	....	....	L. & L.	.01	....	....	....
1	....	....	Intern. Coal	.17	....	....	....
1	....	....	Independence	.01¼	....	....	....
1	.09	.00½	Indian Mines	.01½	.02	.02	.02
1	....	....	Los Ang. Van.	.29	....	....	....
10c.	.10	.02	Lucky Jim	.02½	....	....	....
25c.	.56	.01	Kootenay King	.01	....	....	....
2.50	....	....	Marmot Gold	.03	⅛	⅛	⅛
25c.	....	....	Mohawk	.01	....	....	....
1	....	....	Montana Mines	.30	....	....	....
1	.13½	.01½	Morton Woolsey	.03½	....	....	....
50c.	.26	.02½	National Silver	.03	.03	.03	.03
50c.	.40	.06	Noble Five	.06½	.06½	.06½	.06½
50c.	.18	.06½	Oregon Cop.	.07	.07	.06½	.07
1	1.75	.75	Pioneer Gold	1.05	1.05	1.05	1.05
50c.	.15	.12	Porter Idaho	.12½	....	....	....
None	....	....	Premier Border	.01½	.01¼	.01¼	.01¼
1	1.00	.12	Planet Mines	.25	.30	.15	.15
None	1.78	.30	Reeves McD.	.32	.33	.30	.30
1	....	....	Reno Gold	.25	....	....	....
1	.57	.03½	Rufus Argenta	.03½	.04	.04	.04
1	....	....	Silverado	.10	....	....	....
25c.	....	....	Silver Crest	.03	....	....	....
50c.	.26	.04	Snowflake	.06½	.05½	.04	.04
1	.25	.04	Ruth Hope	.05½	.05	.04	.05
50c.	.06	.01	Topley Rich.	.03	....	....	....
20c.	....	....	Wellington	.01	....	....	....
None	.05	.01¼	Woodbine	.02¾	.02¾	.02¼	.02½

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Canam Metal	2c.	....	McIntyre	$1	5.55
Cons. Smelters	$12.50	8.62	Nipissing	30c.	24.00
Dome Mines	$1	11.76	Noranda	$2	13.78
Hollinger	65c.	10.65	Premier	24c.	30.37
Home Oil	25c.	....	Royalite	5c.	....
Inter. Nickel	$1	5.88	Teck Hughes	60c.	9.52
Lake Shore	$1.20—30	6.38	United Oils	5c.	....

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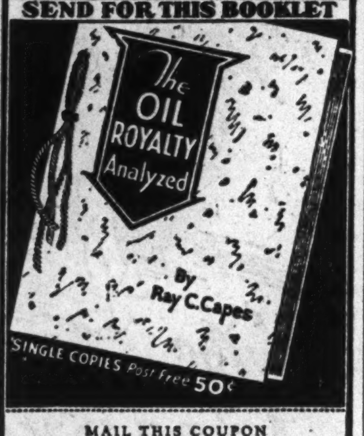

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A Public Utility Bond

Sales of electrical energy by National Light & Power Co., Limited, in the first eight months of this year show an increase over the corresponding period of last year of 23 per cent., as follows:

January	14.06%	May	36.20%
February	12.77%	June	24.21%
March	14.81%	July	32.58%
April	32.40%	August	19.93%

We recommend the purchase of the 6% First Mortgage Sinking Fund Gold Bonds of National Light & Power Co., Limited, due Nov. 1, 1949, at
A Price of 100 and interest, to yield 6 per cent.
The bonds are a legal investment for Canadian life insurance companies.
McLEOD, YOUNG, WEIR & CO. LIMITED
METROPOLITAN BUILDING, TORONTO
Montreal Ottawa Hamilton London Winnipeg

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Insurance for Buyer and Seller

SPRINKLERED RISKS HIGHER BY $46,000,000

Cost of Insurance in Canada Drops to Record Low Level

MUCH INCENDIARISM

Use of Sprinklers in Canadian Churches is Important Forward Step This Year

By GROVE SMITH,
Dominion Fire Commissioner
(Annual Report Presented to Dominion Fire Prevention Association Convention, Ottawa, October, 1930)

There were approximately 36,000 fires in Canada during 1929 the aggregate loss from which increased $10,000,000 over the 1928 figure. This was largely due to an unprecedented number of fires in valuable commercial properties. On the basis of value at risk, however, the loss was not seriously greater than in 1928, inasmuch as approximately $1,000,000,000 was added during the year to the property values liable to destruction by fire.

The most disturbing feature of the record for 1929 is the appreciable increase in the number of fires in dwellings and particularly the fires in which claims were made under insurance contracts for losses of less than $100. It appears to have become a common practice for claims to be filed for the most trivial losses, the insured thereby receiving, in effect, a return of the premium he has paid. Owing to the ready settlement of such claims without proper investigation, it is exceedingly difficult to determine whether they more frequently arise from accident or design.

Insurance Rates Lower

Attention is particularly directed to the continued reduction of the average insurance rate as shown by the annual statements of fire insurance companies licensed to do business in Canada. Since 1921, when the average cost of insurance was $1.11 per $100 of value insured, there has been a substantial reduction in each successive year. In 1929, the average rate reached the low level of $0.81 per $100 insured, or a decrease of over 27 per cent from the average rate current in 1921. The tremendous saving to property owners in Canada by this reduction of insurance cost does not appear to be fully appreciated. Suffice it to say that the record has never been approached in the experience of any other country and that, on the basis of risk, the cost of fire insurance in Canada is probably lower than in any other country in the world.

The fire rate which has been reduced from $0.52 per $100 of value in 1923 to $0.30 in 1929, and the consequent decline in the average cost of insurance, may largely be credited to the increased efficiency of public and private fire protection and to the great improvement that has taken place in the construction and equipment of buildings.

During the year 1929, changes and additions for increasing the effectiveness of their water supply were undertaken by 206 municipalities and major fire appliances were purchased by 118 communities either as supplementary to their present equipment or to replace less efficient apparatus.

Many New Sprinklers

In the field of private fire equipment, sixty-three new automatic sprinkler systems were installed at a cost of $1,175,000. The property protected by these systems has an approximate value of $46,000,000 and the insurance saving effected by the improvement is estimated at $388,000 per annum. In addition to new equipments, existing sprinkler installations were extended in 49 commercial properties.

The outstanding feature of the year in automatic sprinkler installation, other than in commercial properties, was the partial equipment of Notre Dame Church, Montreal. The intrinsic values are large and the sentimental values beyond computation. Three other installations in church fabrics have also been made during the year— the values involved exceeding $1,700,000.

During the year, 2,193 fires were officially investigated by the provincial fire marshals and fire commissioners and the Canadian and provincial police. Of these fires, 912 were of supposed incendiary origin, informations were laid and prosecutions undertaken in 179 cases and convictions for arson were obtained in 139 cases. Since 1921, prosecution for arson has been instituted in 1,355 instances and 673 convictions have been registered. It is to be noted that while incendiarism appears to be on the increase this is doubtless due to increased efficiency in discovery. Conviction is also more readily obtained today than was formerly the case, indicating that the courts are giving more serious attention to the crime of arson.

Insurance Inklings

A. A. SUTHERLAND, formerly of Brockville, has been appointed by the Empire Life Insurance Co. as Manager of the Peterborough district.

J. LESLIE McDUFF, for over twenty years manager for the Mutual Life Assurance of Canada, in Nova Scotia, has been appointed supervisor for that province. C. FRANK WORRELL, district manager for the company for the past three years in Halton County, Ont., has been appointed branch manager to succeed Mr. McDuff. At a luncheon held at Halifax recently, at which these changes were announced, Hon. J. Fred Fraser, a director of the company, presided.

J. EDGAR YOUNG, has been appointed branch manager for the National Life Assurance Co., at Windsor, Ont.

S. J. PHILLIPS, divisional manager for the Sun Life at Port Arthur, was elected president of the Thunder Bay Life Underwriters' Association, at its annual meeting held recently. Other officers elected were: W. C. MAGEE, Metropolitan Life, vice-president, and J. Q. EDDY, Manufacturers Life, secretary-treasurer.

Life Insurance Outlook Differs Widely in Britain From This Continent

Analysis of Development on This Side Indicates Wide Contrasts

BRITONS BUY LITTLE

300,000 Adults Die There in Year and Leave Estates of Less Than £100

By GEORGE H. HARRIS
Extracts from address before American Life Convention, Chicago

A year ago we were celebrating the fact that life insurance outstanding on the books of the companies of North America had reached the great total of one hundred billions of dollars. The figure today probably exceeds one hundred and ten billions—twice as much insurance as is in force on the lives of the rest of the world. That is an enormous achievement.

Is our development being pursued on lines which afford promise of a continuance of this great development? I think it is, and I think that view can be supported by a comparison.

I paid a business visit to England last year. England, as you know, is the home of life insurance; the system as we know it was invented and had its early development there. Many British companies are a hundred years old or more. The Englishman, however, is not nearly so well insured as the American, even after making allowance for the relative wealth of the two peoples. Great Britain is a heavily taxed nation; estates amounting to the tiny sum of £100 ($500) are assessed for estate duty. On referring to the report of the Registrar General of Great Britain for 1928, I found that 440,000 adults died in that year; the estates liable for estate duty in that same year numbered only 110,000. In one year, you observe, 330,000 adults died in Great Britain leaving less than one hundred pounds.

Everyone leaves a legacy—a legacy of assets or liabilities, of competence or penury, of support or privation, of hope or despair, of opportunity or the denial of opportunity. Thousands of men die leaving a legacy of children and debt. I know no more pitiful sight in this world than the orphan searching for someone more benevolent than his father was. You may be sure that these statistics in England drew my thoughts to the dependents of those 330,000 adults whose life work had yielded a less material result than one hundred pounds. And this pitiful sum, let me remind you, could have been secured by the payment of 25 cents a week to a life insurance company.

60 Per Cent Insured Here

Now contemplate the contrast. A full 60 per cent of the people of this continent carry some life insurance for which they pay. Sixty people out of every hundred—man, woman and child. Although the claim payment follows the application on the average at a considerable distance of time, already every third death involves a life insurance payment. The average family of five on this continent is already protected to the extent of nearly $5,000.

I think the explanations of this great disparity are simple ones. The public, in the long run, believe what they are told—providing they are sincerely told and told often enough. For nearly a generation life insurance agents on this continent have been invoking in the the minds of the people a sense of responsibility. They have been holding up the ideals of responsible citizenship. They have preached the doctrine that tomorrow's felicity is secured at the price of today's sacrifice. The net result of this conception, enormously emphasized through all these years, is that 80 per cent of the life insurance in force on this continent is on life plans in which the protective features predominate.

By contrast, the effort in England has been more in the direction of explaining the mechanism rather than the need of life insurance. The man in the street thinks about life insurance in an academic way; he regards it primarily as a method of saving up a little money. Its importance as a replacement of his earning power—its importance as a means of support to his family—is either unrealized or under-rated. Eighty per cent of the policies sold in England, where life insurance is so sorely needed, is on endowment plans.

Few Full-time Agents

There is another element in this problem. On this continent we have long recognized marketing as a major concern and have concluded that our business and our companies can be worthily represented and interpreted to the public only by men who devote their whole time to this work and are trained to perform it. In Great Britain, save for industrial collectors, there are very few full time life insurance agents. The companies are represented for the most part by bankers, lawyers, notaries, and other professional and business men who do not actively solicit, but who act in a general advisory capacity to their clients. The British public, in short, has not been thoroughly solicited by men who have made a close study of the services which life insurance is capable of rendering.

And then, perhaps transcending all in importance, is the general conception of the companies. For many years the majority of the companies of North America have adopted a plan of expansion. They have measured their success by their ability to bring life insurance to the protection and aid of ever-growing numbers of people. In Great Britain the conception has been the more restricted one of running a nice little business profitably to its owners.

If we reflect upon this comparison we shall I think conclude that so far we have been right in our methods and conception of development. But let us not be complacent. We are not closing the door on an achievement, we are on the threshold of a new and larger opportunity.

Must Study Public

Our success so far has resulted chiefly from our desire to meet the real needs of the public. If we would continue to progress we must continue to study the public, for the public is our market, and the man in the street is our buyer. The public embraces the whole gamut of humanity. We have the financier and the laborer; the great business leader and the mechanic; the men of responsibility in business and the millions of routine workers. We have the man of the city and the farm. We have men differing in outlook and belief. And today we have millions of women with the responsibility of supporting and providing for themselves.

And this public is not static. It is ever moving in thought and outlook. By turns it is carried on waves of optimism and plunged into depths of pessimism. It is rich and it is poor, it is confident and it is hopeless. No greater illustration of these changing phases of thought can be found than in a comparison of the feeling on this continent a year ago and today. A year ago everyone was ten feet high and was going to live a thousand prosperous years. Today there is a re-action; people are thinking, as they always do in time of reaction.

It is obvious that we must have men who can meet this public on its every plane of circumstance and thought, and who can show how life insurance can be brought to assist the individuals who compose the public in their every aspiration and their every necessity.

Excelsior Life Sets New September Mark

Alex. Fasken, president of the Excelsior Life Insurance Co., in a message to that company's agents this week, says that production of new business for September, was 46.6 per cent greater than that obtained in September, 1929, thus setting up a new production record for the company in that month.

At the end of September the Excelsior Life shows an increase of 34.8 per cent for the first nine months of the year as compared to the same period a year ago. In fact the company has actually during the first nine months of the year written more business than in the entire year 1929.

This is a noteworthy record for a company which at the end of 1929 had $87,236,000 of business on its books and during 1929, paid for a total net business of $10,750,000.

New Agency Superintendent

FREEMAN D. SMITH,
newly appointed superintendent of agencies for the Metropolitan Life in Canada. Mr. Smith has been with the company 14 years, having first joined as an agent in Moncton, N.B. In 1918 he was made assistant manager at Moncton and in 1921 manager. Since 1927 he has been manager of Ottawa district.

TORONTO INSTITUTE HAS FINE PROGRAM FOR 1930-31 SEASON

A. W. Goddard to Give Inaugural Address on Oct. 30

On Thursday, October 30, the first meeting of the Insurance Institute of Toronto for 1930-31 will be held at which the new president, A. W. Goddard, will present his inaugural address, and George M. Wrong, professor emeritus of history at the University of Toronto, will discuss "Some Problems of Canadian Democracy."

In addition to Mr. Goddard, the other newly-elected official of the Institute is W. H. Burgess, vice-president of Canadian Surety Co., who is vice-president for the 1930-31 season. This is the thirty-second session that the Institute has held its meetings. As usual Clifford Elvins, of the Imperial Life, is secretary-treasurer.

All the speakers for the coming season, according to the programme published this week, are Canadian insurance men, and an exceedingly interesting and instructive series of meetings is indicated by the agenda.

The complete year's programme is as follows:

OCTOBER 30th, 1930—OPENING MEETING

1. President's Inaugural Address.—A. W. Goddard.
2. Address: "Some Problems of Canadian Democracy," by Prof. Geo. M. Wrong, M.A., LL.D., F.R.S.C., Emeritus Professor of History, University of Toronto.

NOVEMBER 20th, 1930

1. Address: "Plate Glass and Burglary Insurance," by A. W. Eastmure, Managing Director, The Casualty Company of Canada.
2. Address: "Home Office Training and Sales Aids for the Field Force," R. J. Wood, Manager, Sales Service Department, The Imperial Life Assurance Co. of Canada.

DECEMBER 18th, 1930

Address: "Sprinkler Systems—Origin and Development," A. J. Mylrea, of Messrs. Reed, Shaw & McNaught, Montreal.

JANUARY 15th, 1931

Address: "Group Insurance," C. D. Rutherford, F.I.A., Ass't. Actuary, Sun Life Assce. Co. of Canada, Montreal.

FEBRUARY 19th, 1931

Address: "The Adjustment of Automobile Claims," N. W. Helwig, President, Morden & Helwig, Hamilton.

MARCH 19th, 1931

Address: "Fire Re-Insurance," W. A. Thomson, Manager, Norwich Union Fire Insce. Society Ltd.

ANNUAL MEETING—JUNE, 1931

Life Insurance Sales

The Confederation Life announces that new ordinary business written during September amounted to $4,546,856 a gain for the month of $2,342,263. New ordinary business written for the year to date has been $46,167,421 and the total gain in insurance in force for the year has been $26,152,270.

As at September 30, the company had in force $352,057,567 of ordinary business.

In the group field the company wrote $429,953 of new business and for year to date has written $6,320,455. The company's total group business in force as at September 30, now stands at $16,307,782, and the total of both ordinary and group business in force at $368,365,349.

Hail Losses Expected To Reach 85 Per Cent

The average loss ratio for Canadian line companies writing hail insurance in Western Canada during the past year will be about 85 per cent, The Financial Post is informed. No official figures of individual experience are available as yet from the offices of the Canadian Hail Underwriters' Association.

It is understood also that the total premium income will only be about 50 per cent of that written in 1929. This would indicate therefore a premium income of between $1,700,000 and $2,000,000 for line companies—a decided drop when contrasted with the $7,000,000 of business written in the years preceding 1929.

The Glens Falls and Westchester group is understood to have suffered a loss of about 100 per cent, while one of the newcomers this year is reported to have got off lightly at about 60 per cent. The Hartford group, one of the leaders in the field, is reported to have written at about an 80 per cent loss.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Monarch Life

What was the rate of dividend paid by the Monarch Life last year? Are these shares a good buy?

Monarch Life paid a dividend last year of 8 per cent which is equivalent to 80 cents per share on it capital stock outstanding

We would consider the company's shares at the price you mention, to be a very satisfactory long term insurance investment.

Occidental Life

Will you give me some information about the Occidental Life Insurance Co.? How long has it been operating in Canada?

The Occidental Life Insurance Co. of California is an old-established American life insurance company of excellent standing which has some $15,000,000 of life insurance on its books. It has been operating in Canada under a Dominion license since June, 1928, and has in force in Canada $9,000,000 of insurance and is currently writing about $1,000,000 of business in this country each year. The company entered the Canadian field originally through acquiring the Canadian business of the Western Mutual Life Association of Los Angeles, Cal., which in 1928 had some $8,000,000 of business in force in Canada.

The company's chief agent in Canada is James A. Ovas, head office at Winnipeg.

EXECUTIVE

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Plate Glass — Fidelity — and Surety — Bonds

The Log
Ontario Agents Writing Pilot Policies

1927	97
1928	204
1929	359
Total to Date	570

Pilot Policies Protect
Agents Applications Invited

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LONDON — 59 Years in Business — CANADA
Capital, $2,000,000 — Reserve Fund, $3,000,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
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CGE-530E

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RUSSIAN MENACE NOT FORMIDABLE SAYS BANK REVIEW

Canadian Trade Already Affected But Not Permanently

SUCCESS DOUBTED

Canadian Bank of Commerce Thinks Prospects Remote of Five-Year Plan Succeeding

The dark shadows cast across world trade by the reappearance in the past few months of the Russian bear, are the subject of an interesting analysis in the current monthly letter of the Canadian Bank of Commerce.

As those who have studied the situation at any length are aware, the matter of importance at the moment is the success or failure of the famous Five-Year Plan inaugurated two-years ago in Russia to set definite quotas each year for the expansion of agriculture and industry, which has as its ultimate aim the restoration of Russia as a world producer and trader.

Some authorities, say the bank, including one who has made a lifelong study of Russian affairs, predict an absolute failure of the present "Five-Year Economic Plan;" others foresee complete success; and still another group sees only the probability of progress far short of the objective. In any event, as a result of the "plan" industrial productivity was increased by 16 per cent in 1928-29, although there is still a shortage of both manufactured goods and food. The motive force behind Russia's export programme, is, however, the purchase, as far as possible on credit, of large quantities of machinery and other materials necessary for the execution of this "plan;" Russia may consider herself politically aloof from the rest of the world, but she admits that she needs foreign capital in the form of "producers goods," the return from this capital consisting of Russian products, principally wood and grains.

Affects Canadian Lumber

As to the effects of this programme upon Canadian business, shipments of Russian lumber to the United Kingdom have more than doubled in the last few years and plans were made to ship this year 500,000 standards (990 million board feet), of which at least three-fifths has already been dispatched. This supply for the English market has reacted upon the lumbermen in the Maritime provinces, who hitherto disposed of part of their cut in the United Kingdom. American paper manufacturers have contracted to take this year 300,000 cords or more of Russian pulpwood consequently their demand for Canadian pulpwood has declined. There are various estimates of the quantity of Russian wheat to be exported this wheat year—Broomhall's is about 50 million bushels—but it is doubtful if anyone knows how much will be shipped.

The bank points out, however, that Russia's prospects of substantial wheat exports from 1926 on were not realized. To meet unforeseen difficulties and obtain for the Government a supply of wheat for export to offset its heavy import obligations, Moscow has now developed a state farming on a large scale and mobilized peasant farming over a wide area. The success of this is partly contingent on the willingness of the peasants to turn over a portion of their crops to the Soviet, and they are already said to have shown signs of reluctance. Meanwhile, however, Russian wheat has been offered in Liverpool at 8 cents below comparable Canadian grains.

Many Risks Involved

Summing up, the bank remarks that a development programme which is calculated to achieve within five years all the progress that could reasonably be expected of any country in a century, is subject to many risks. Already Russia's effort is stirring up opposition in t he outside world. Washington has commenced investigation of Russian pulp imports and Moscow's speculation in wheat. The lumbermen of the States are preparing to ask for an embargo on Russian lumber as the product of convict labor. It has been realized that there is a limit to the credit which can be granted Russia abroad in view of the uncertainty of her future. Furthermore, European grain importers are disturbed over the sudden supply of Russian grain which may cease as abruptly as it started. with consequent confusion, hesitancy and probable loss in their import trade. Every other country in Europe is in the throes of an agricultural crisis and most of them view Russian exports as a threat to their farmers.

In addition, the bank quotes a dispassionate observer as questioning "whether there can comfortably be accommodated, in a world severely depressed, a new economic system that conflicts with the commercial policies of every other country on the globe."

On the whole, the bank's survey seems to imply that the rumors of impending Russian competition on a growing and formidable scale should continue to be labelled with a large and reassuring question mark.

Weekly Bank Clearings

Eastern Cities

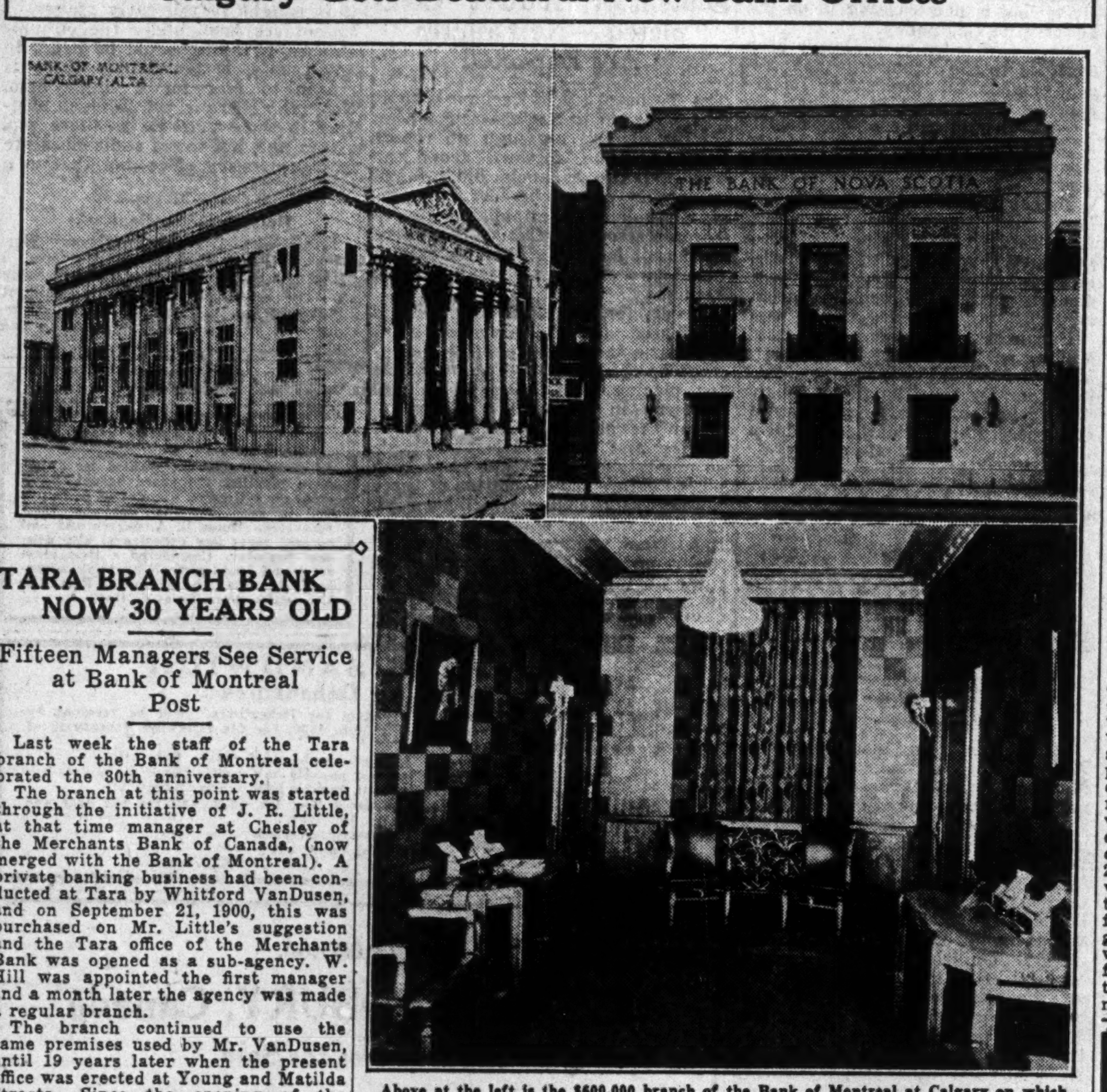
	Oct. 10, 1929	Oct. 9, 1930
Halifax	$ 3,274,296	$ 3,490,531
Saint John	2,951,961	2,476,349
Moncton	1,241,557	1,068,475
Sherbrooke	1,124,403	861,967
Quebec	8,007,085	6,897,284
Montreal	159,300,583	137,450,400
Ottawa	8,740,973	7,910,183
Kingston	971,865	1,339,991
Peterboro'	1,019,823	832,768
Toronto	150,780,680	129,633,718
Hamilton	7,102,018	7,363,127
Kitchener	1,618,269	1,616,628
Brantford	1,789,722	1,575,889
London	3,708,341	3,458,280
Chatham	760,492	659,238
Windsor	5,514,297	3,789,025
Sarnia	830,771	661,461
Sudbury	......	924,259

Western Cities

	Oct. 10, 1929	Oct. 9, 1930
Fort William	$ 1,135,748	$ 1,003,409
Brandon	943,956	720,298
Moose Jaw	1,676,932	1,250,622
Saskatoon	3,918,156	2,799,566
Prince Albert	829,115	465,780
Edmonton	7,186,371	6,702,766
Vancouver	22,566,908	19,044,735
Victoria	3,987,096	2,659,617
New Westminster	1,100,576	944,695
Lethbridge	1,054,105	591,276
Calgary	16,156,182	10,765,759
Winnipeg	104,254,078	75,100,577

Current Events in Banking World

Calgary Gets Beautiful New Bank Offices



Above at the left is the $600,000 branch of the Bank of Montreal at Calgary on which construction has just commenced. At the right is the stately new Bank of Nova Scotia building in the same city. The lower picture is the ladies' waiting room in the Bank of Nova Scotia Branch. No effort has been spared to make this one of the most beautiful bank offices in the Dominion.

TARA BRANCH BANK NOW 30 YEARS OLD

Fifteen Managers See Service at Bank of Montreal Post

Last week the staff of the Tara branch of the Bank of Montreal celebrated the 30th anniversary.

The branch at this point was started through the initiative of J. R. Little, at that time manager at Chesley of the Merchants Bank of Canada, (now merged with the Bank of Montreal). A private banking business had been conducted at Tara by Whitford VanDusen, and on September 21, 1900, this was purchased on Mr. Little's suggestion and the Tara office of the Merchants Bank was opened as a sub-agency. W. Hill was appointed the first manager and a month later the agency was made a regular branch.

The branch continued to use the same premises used by Mr. VanDusen, until 19 years later when the present office was erected at Young and Matilda Streets, Since the opening of the branch, the following have served in managerial capacity: W. W. Smith, E. Lee, Arthur Deacon, M. S. Sutherland, H. A. McEwen, F. X. Hahn, D. A. MacMillan, J. F. Mutrie, C. S. Cummer, E. Garvie, R. P. Lochead, E. Garvie 2nd term), D. L. Willson and A. J. H. Downing. O. Geiger is the present manager.

Royal Bank Manager Was Leading Citizen

Sir George H. Gamblin, president of the Bahaman legislative council and prior to this appointment to that body, for many years leader of the government in the house of assembly, has died at Nassau, Bahama Islands, after a lengthy illness.

He was born at Nassau in 1870 and was knighted in 1929 in recognition of his public service to the colony. Sir George was an authority on the financial affairs of the West Indies and since 1908 had been manager of the Nassau branch of the Royal Bank of Canada.

Montreal Savings Bank Completing New Branches

An ambitious building programme for this year is now under way by the Montreal City and Savings Bank. The programme was initiated in part to relieve unemployment in and around Montreal, and is now nearly completed.

The new branches under construction are as follows: St. Catherine Street west and McGill College Avenue, now under construction; corner Masson Street and 7th Avenue, Rosemount, building now being erected; Mount Royal and Delorimier Avenues, alterations now being made and Wellington Street and Galt Avenue, Verdun.

Plans for a new office on the last-named location are being prepared by the bank's architects.

Bank Chat

The Bank of Commerce announces the following staff changes:

H. M. ALLEN, accountant at Prince George, has been appointed manager, at Vancouver, Collingwood East, in place of F. C. COLEMAN.

A. H. WATERMAN, assistant manager at Rio de Janeiro, Brazil, has been appointed assistant manager at Mexico D. F., in place of J. P. WATSON.

The Bank of Montreal announces the following staff changes:

C. DYER, formerly manager at Verona, appointed manager at Oakwood branch.

J. M. A. MONARQUE, accountant at La Salle Ave. and Ontario St., Montreal, appointed acting manager at Outremont.

S. J. LAVIOLETTE, accountant at Jacques Cartier Square and St. Paul St., Montreal, appointed acting manager at Cote St. Paul, Montreal.

E. A. ROSS, Finch, appointed pro-manager at Arundel.

H. H. MIDDLETON, Arundel, appointed to head office, Montreal.

The Royal Bank has appointed J. P. MULLETT, manager of a newly-opened branch at West Toronto. Mr. Mullett was formerly manager at Sandwich. C. C. MacINNIS, of Sarnia, is succeeding Mr. Mullett at Sandwich.

Bank of Commerce Alters Toronto Branch

The year 1930 has been one of the most active in the history of Canadian banking from the point of view of new construction undertaken by the various banks.

The latest development is one announced last week to the effect that the Canadian Bank of Commerce will commence operations about November 1, on a $50,000 ateration to its branch at College and Yonge Streets, Toronto.

The present four-storey structure has a 60-foot frontage on Yonge Street and a 120-foot frontage on College. The new plans provide for the taking up of the entire Yonge Street frontage by the bank. The building will also be overhauled and eventually it is understood the bank plans the erection of an entirely new structure at this corner. The construction of new and enlarged safety deposit vaults is also included in the plans. The building is on the northwest corner and faces the new T. Eaton Co. building, shortly to be opened.

Importance of Calgary As Financial Centre Appreciated by Banks

There is no better indication of the growing importance of Calgary as a financial and business centre than the impressive building programme which the Bank of Nova Scotia and the Bank of Montreal have undertaken in that city during 1930.

In the middle of July last, the Bank of Nova Scotia opened one of the finest bank branches to be opened in any city this year, located on Eighth Avenue West, while only a week or so ago, building operations were commenced for the erection of a splendid three-storey structure by the Bank of Montreal at the corner of First Street West and Eighth Avenue. The Bank of Montreal structure alone will cost over $600,000.

At the new Bank of Nova Scotia building, no expense or effort has been spared to achieve the utmost in beauty of design and to equip the building with every modern facility which might make the transaction of business both convenient and pleasant.

The building was designed by John M. Lyle of Toronto, and so outstanding is it in its design and decorative features, that W. Aumonier, a noted British sculptor, stated recently that he considered it equal in design and construction to any similar building in London, Paris or Berlin.

Western Canada Motif

The exterior is of buff Bedford stone. The window jambs on the ground floor are splayed, and on these splays are carved decorative panels symbolic of two periods in the history of Western Canada—before and after the coming of the white man. On one panel is shown a buffalo head, the primitive implements of the Indian, an Indian head, and below it a vase of grain.

On the other panel is shown the horse's head, guns, the cowboy in his Stetson hat, and another vase, this one overflowing with grain

Among the novel departures in architectural forms is the decorative architrave which frames the main entrance. It is composed of a conventionalized use of Canadian flowers, such as the sun flower, the lily, marsh marigold and pitcher plant. Separating these floral emblems at intervals, the inverted triangle, the Indian emblem of progress, has been used. The crest of the Bank of Nova Scotia has been carved over the central entrance.

Ranching and Oil Drills

Three symbolical panels are placed over the large windows, the one in the centre being composed of a large sheaf of wheat with the rays of the setting sun in the background. The panel on the right contains a saddle and a lariat as the central motif, supported by ranch fence posts and a background of western mountains. Oil and oil derricks are indicated on the left panel.

The general layout of the building combines beauty and convenience. It has a frontage on Eighth Avenue of 55 feet and a depth of 114 feet, the central entrance is flanked by the manager's room and the ladies' room.

The main banking room is 51 feet in width, 90 feet in length and 32 feet, 9 inches in height. The floors of this room are rose pink Tennessee marble with counter, dado and door trims in Kasota Fleuri and St. Genevieve marbles. The counters, grilles and cheque desks are of bronze.

Connected by staircases to the main banking room is a mezzanine floor, running across the front of the building to provide for future expansion. This room is 39 feet in length, 16 feet in width, and has a height of 20 feet. Large windows on the front and rear, together with a central skylight flood this whole interior with light.

Ladies' Room a Feature

The manager's room, which is occupied by F. G. Burr, manager of the branch, is panelled in British Columbia cottonwood, antique finish, and the ladies' room is trimmed in oak with a new type of wood veneer wall treatment, The general effect of the latter room is cocoa brown, and rugs and curtains harmonize. This latter room is one of the most important features of the new branch in that it vies with any modern hotel or private sitting room for comfort and attractiveness and indicates the importance placed by the bank on this department of its business. In all, there are now 22 bank branches serving Calgary, of which 4 are offices of the Bank of Nova Scotia; 5 are Canadian Bank of Commerce; 2 are Dominion Bank; 2 are Imperial Bank; 4 are Bank of Montreal; 3 are Royal Bank and 2 are Bank of Toronto branches.

BIRD'S-EYE VIEW OF WORLD FINANCE

Brief, Intimate Glances at Trend of Things Economic

Prepared weekly by the Bankers' Bond Company, Toronto

United States

The unfavorable state of wholesale trade in the United States is characterized by the following decrease in sales registered during August, as compared with last year: Groceries 10%, drugs 15%, hardware 27%, dry goods 39%. The decrease for the first eight months of the current year is as follows: Groceries 4%, drugs 8%, hardware 16%, dry goods 23%. Wholesalers have been hurt not only in the slump in retail sales but also by the policy of retailers to keep their inventories at a low figure. Inventories of stocks on hand in department stores on August 1st this year was 91% as compared with 100% in the same month last year. The prospect is however that wholesale trade will soon begin to show an improvement as a result of the somewhat more favorable retail trade conditions which are in the offing.

General

Some anxiety is now being evinced with regard to the refunding of a part of the French War bonds, which had been exclusively sold in the United Kingdom. The trouble arises out of the fact that these bonds were redeemable in "francs," without qualifications whether these francs be of gold or paper. It will be readily inferred that since these bonds were floated when the franc was based on the gold standard and quoted at or around its par value should redemption be effected at present, bondholders would receive actually just one-fifth of the value paid for it reckoned on the basis of the prevalent paper franc, which is quoted at 125 to the £ Sterling against 25 to the £ Sterling which was its par value then. For exchange purposes, the franc is virtually stabilized at the former quotation, which, although greatly depreciated when compared with the gold franc value, assumes the form of a gold standard by virtue of the exceedingly large percentage of metallic reserve held against the French currency. In connection with this refunding of war bonds, a note has been presented by the British government to Paris for the purpose of arbitrating upon the status of the "franc." The Bank of France's gold holdings now stands at $1,920,000,000 against $1,537,000,000 a year ago.

Germany is struggling desperately against combined adverse economic and political influences. Withdrawals of gold from the Reichsbank since the election total nearly $110,000,000. Heavy offerings of German bonds in other European and financial centres have depressed German issues.

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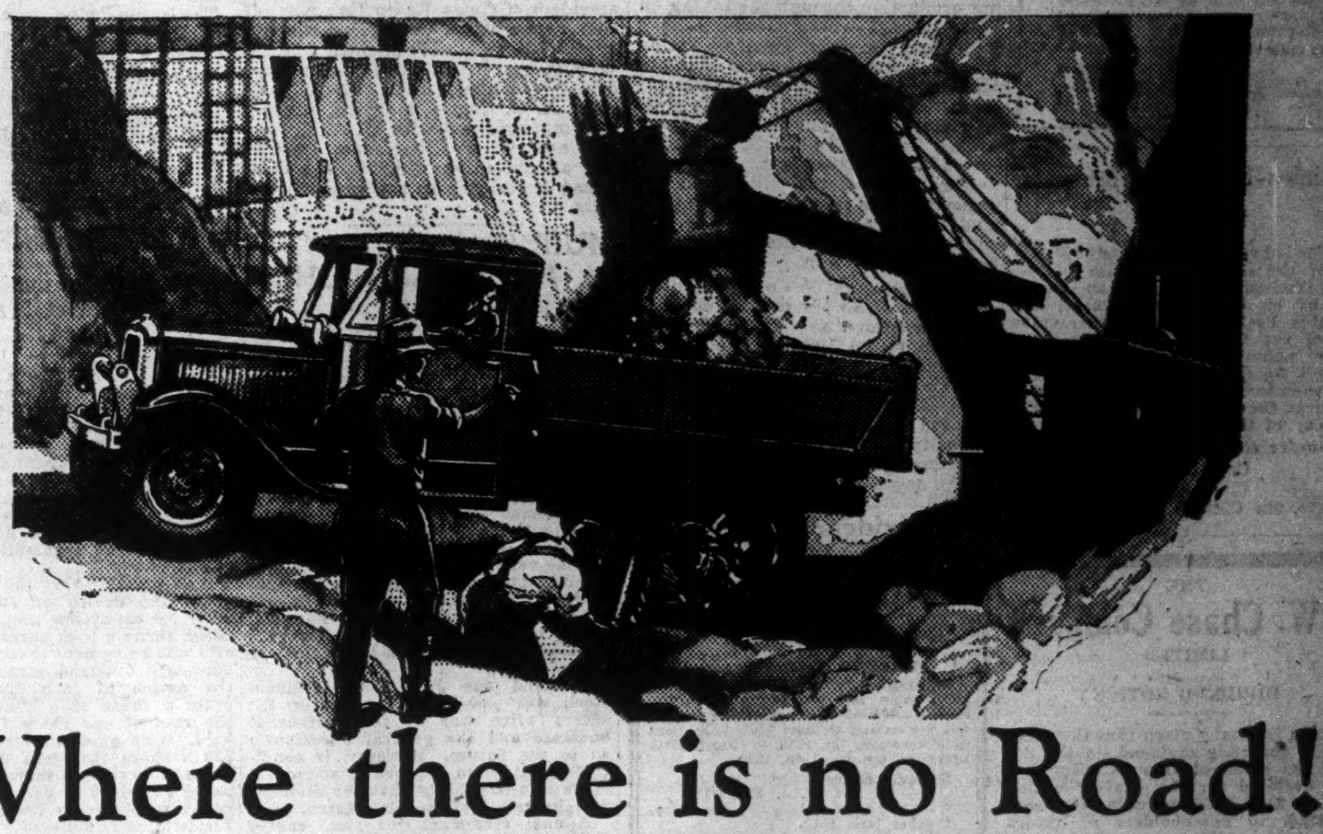

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So much has this superiority been demonstrated that more General Motors Trucks are operated in Canada than any other make of heavy duty truck!

On big jobs, on tough jobs, Casimir Poupart, of Montreal, operates nine General Motors Trucks. "We are very well satisfied," he says, "and your service has at all times been satisfactory. Our drivers claim that they are the best they have ever driven, are faster on the road and handle better through heavy traffic."

These are the qualities that get the job done on time—ahead of time! And earn profits! Big loads, handled fast—with little or no time out for repair.

Whether you invest in a smart, light delivery unit or a husky, nine-ton truck for the heaviest kind of hauling . . . or anything in between . . . you get this maximum of continuous, care-free, uninterrupted operation from the General Motors line.

General Motors Trucks are good-looking. They will enhance the prestige of your business by their fine, up-to-date appearance. They look right because they are built right—built in Canada, by Canadian craftsmen, of Canadian materials.

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Canadian Cartage Company, Montreal
Canadian General Electric Company
Canadian Independent Oil Company
Canadian Industries Limited
Canadian National Railways
Canadian Oil Company
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WALKERVILLE, ONTARIO

IT'S BETTER BECAUSE IT'S CANADIAN

DIVIDEND NOTICES

Eastern Theatres Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of Fifty Cents (50c) a share on the issued Common Stock of the Company has been declared, payable on December 1st, 1930, to shareholders of record on October 31st, 1930.

By order of the Board.

N. G. BARROW, Secretary.

Dated at Toronto, this 13th day of October, 1930.

MERCURY MILLS, LIMITED

Preferred Dividend No. 33

A quarterly dividend of one and one-half per cent on the Preferred Stock has been declared payable November 1st, 1930, to the Preferred Stockholders of record at the close of business October 15th, 1930.

By order of the Board.

R. S. WILLIAMS, Secretary.

Hamilton, Ontario, October 3, 1930.

The Canadian Bank of Commerce

Dividend No. 175

Notice is hereby given that a dividend of Three per cent upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1930, together with a bonus of one per cent, and that the same will be payable at the Bank and its Branches on and after Monday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1930. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 10th October, 1930.

Enamel & Heating Products, Limited

COMMON STOCK DIVIDEND NO. 10

NOTICE is hereby given that a dividend of twenty-five (25) cents per share, being at the rate of One Dollar ($1.00) per annum, has been declared for the quarter ending September 30th, 1930, payable November 1st, 1930, to shareholders of record October 15th, 1930.

By Order of the Board.

J. R. STEPHENSON, Secretary.

Sackville, N.B., October 7th, 1930.

THE BANK OF TORONTO

Dividend No. 197

Notice is hereby given that a Dividend of Three per cent. upon the Paid-up Capital stock of this Bank, has been declared for the current quarter, together with a bonus for the year of one per cent., and the same will be payable at the Bank and its branches on and after the first day of December next to shareholders of record on November 15th, 1930.

By Order of the Board.

H. B. HENWOOD, General Manager.

Toronto, October 8th, 1930.

Canadian Power & Paper Investments, Limited

Preferred Dividend No. 7

A DIVIDEND of 1¼% (being at the rate of 5% per annum) on the 5% Cumulative Convertible Preferred Stock of CANADIAN POWER & PAPER INVESTMENTS, LIMITED, has been declared for the quarter ending October 31st, 1930, payable November 15th, 1930, to shareholders of record October 20th, 1930.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, September 26th, 1930.

Dominion-Scottish Investments Limited

NOTICE

Notice is hereby given that the Directors of the Dominion-Scottish Investments Limited have declared an interim dividend on the 5% Cumulative Redeemable Preference Stock (par value $50) of the Company at the rate of 5% per annum for the quarter ending the 31st October, 1930, payable on the 1st November, 1930, to shareholders of record at the close of business on the 20th day of October, 1930.

By order of the Board.

C. R. ALDERSON, Assistant-Secretary.

Toronto, 9th October, 1930.

THE A. W. Chase Company LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8% preferred stock of this Company has been declared for the quarter ending October 31st, 1930, payable November 10, 1930, to shareholders of record October 31st, 1930.

By order of the Board.

W. J. STONE, President.

Toronto, October 14, 1930.

Canadian Celanese Limited

Notice is hereby given that the Board of Directors of this Company has this day declared a dividend of three and one-half per cent (3½%) on the seven per cent Cumulative Participating Preferred stock, payable December 31st, 1930, to the holders of said stock of record on the books of the Company at the close of business December 15th, 1930.

LEE CADIEN, Secretary.

October 6th, 1930.

BLUE RIBBON CORPORATION LIMITED

Notice is hereby given that a dividend of eighty-one and one-quarter cents (81¼c) per share on the 6½% Cumulative Convertible Redeemable Preferred Shares of the par value of $50 each in the capital stock of Blue Ribbon Corporation Limited for the quarter ending October 31st, 1930, has been declared payable on and after November 1st, 1930, to shareholders of record on October 15th, 1930. The transfer books will not be closed.

Dated at Toronto, Ontario, this 10th day of October, 1930.

J. C. JAMIESON, Secretary-Treasurer.

NEW BRUNSWICK OPPOSES CLOSURE CAN. COTTONS UNIT

Saint John Interests Say That Mill Should be Re-opened

By Staff Editor

SAINT JOHN, N. B.—Action of Canadian Cottons, Ltd., in closing down its Cornwall mill has not met with the favor of Saint John people. It is alleged that before the Federal election representatives of the company and various interests met and it was agreed to continue operating the mill until the outcome of the election was known and what steps the incoming government proposed to take to afford more protection after its election. The mill was closed down and about 300 employees were laid off.

It is the opinion of many that the action of the company in closing down the Cornwall mill was unwarranted especially as the company was afforded more protection under the new tariff regulations and also in view of the reported agreement.

Authorities Consulted

Hon. J. B. M. Baxter, Premier of New Brunswick, has taken up the matter with the Federal authorities. In discussing the shut down with The Financial Post he said that in view of what has transpired since the meeting with the company officials and the fulfillment of the textile industries' demands for greater protection, closing of the mill in order to run other plants at higher capacity does not appear to be altogether justified.

In view of the action of the Government in cancelling the increased duty on window glass following a complaint that prices had been doubled, Saint John interests say that either Canadian Cottons should be obliged to reopen its Cornwall mill or suffer the loss of the benefit of the increased tariff on goods produced in its other mills in Canada.

A. O. Dawson, president of Canadian Cottons, explains that the whole object of closing the cotton mill in Saint John is to make for efficient operation so that the price to the consumer can be maintained. Mr. Dawson declared that prices now are even lower than they were before recent protection was enacted. "One of the mills referred to is among the oldest in Canada," he stated, "and naturally the time comes when the machinery is obsolete. You cannot compete if you run two small units with the necessary overhead. The two places in question are small units, both very old, and we are consolidating the best machinery of the two and operating it as one. As business improves we hope to increase production.

"Hon. R. B. Bennett laid it down as an axiom of his policy that, after tariff enactment, there must be efficiency and that prices must be maintained. It is just an economic move and some of the displaced workers have been shifted to other points."

Effect is Encouraging

The immediate effect of the recent tariff revisions on the Canadian textile industry has, for the most part, been encouraging. Many companies have plans underway to speed production and in a number of the larger mills employment has already been increased.

While some companies are expanding production through the taking on of additional workers, others have laid plans for extensions to existing plants. Canadian Celanese, Ltd., has announced its intention of constructing a substantial addition to its present factory at Drummondville; Courtaulds, Canada, Ltd., will also build an addition to its plant.

Carl Stohn & Co. will double the capacity of its plant at Granby, Que., and the Granby Elastic Web. Co. plans a further extension to its manufacturing unit.

Dominion Textile Co. is operating its plants at 75 per cent of capacity and operations are expected to be speeded up to 100 per cent in the next month or so. Paton Manufacturing Co., which is closely affiliated with Dominion Textiles, has increased its current operations to capacity as compared with 40 per cent during the current year previous to the new tariff.

Dividend Notices

CANADIAN INVESTORS Corporation, Limited

Dividend No. 3

A DIVIDEND of 25 cents per share, being at the rate of $1.00 per share per annum, has been declared on the capital stock of this corporation for the quarter ending October 31st, 1930, payable November 1st, 1930, to shareholders of record October 15th, 1930.

By order of the Board.

M. J. PATTON, Secretary.

October 14th, 1930.

The Royal Bank of Canada

DIVIDEND NO. 173 AND BONUS

NOTICE is hereby given that a dividend of three per cent (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 29, 1930, and that the same will be payable at the bank and its branches on and after Monday, the first day of December next, to shareholders of record at the close of business on the 31st day of October.

By order of the Board.

M. W. WILSON. General Manager.

MONTREAL, Que., October 14, 1930.

DIVIDEND NUMBER 207

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 4th day of November, 1930, on which date cheques will be mailed to shareholders of record at the close of business on the 21st day of October, 1930.

Dated the 14th day of October, 1930.

I. McIVOR, Assistant-Treasurer.

Melchers Distilleries Holds Matured Stock

From Our Own Correspondent

MONTREAL. — Melchers Distilleries, Ltd., has a large supply of four-year-old American bourbon whisky on hand. It is understood that other distillers are experiencing a shortage of the matured product at present and negotiations are said to have been carried on with a view to obtaining some of Melchers supply.

The four-year-old product naturally commands a better price in the American market than does liquor which has not matured so long; earnings of Melchers are stated to be satisfactory and in excess of those at this time last year.

Whether the situation will lead to the consideration of a merger of the property is not known; it is understood, however, that the management has no such intention at the present time. The company has handled its export business conservatively and is now cashing in on the adoption of this policy.

Its export sales have always been confined to the Atlantic region; recent legislation prohibiting clearances to the United States has not interfered with the company's business. While exports increase, there has been a moderate gain in domestic sales.

Melchers shares are not listed. There are 100,000 shares of "A" stock issued on which a dividend of $2 a year is paid and 50,000 shares of "B" stock issued. A dividend of $1 was declared on the "B" stock in December, 1929, but has not yet been paid.

Earnings in 1929 were equal to $2 a share on the A shares and $3.77 a share on the B. These figures take into consideration the fact that the "B" shares participate equally in all dividends after $2 has been paid on the "A," up to $4 a share on the "B."

NEW CANDY CHAIN OPENING STORES IN TORONTO AREA

Jenny Lind Candy Shops Plans 70 Stores in Next Year

Entry of a new chain of retail candy shops in the Canadian field is scheduled for Friday, October 17, with the opening in Toronto of 11 stores by Jenny Lind Candy Shops, Ltd. By November 1, it is expected to have another four stores open in Toronto and other stores will be opened in various Ontario cities until some 25 or 30 stores are in operation by Christmas. Within the next year it is planned to have a total of 70 stores in operation, chiefly located in Ontario cities but with some stores in Montreal and Quebec city. Stores will be opened shortly in Hamilton, London, Chatham and Windsor.

Financing of the venture has been under way during the past year with the offering of $315,000 of 7 per cent cumulative, redeemable, convertible preference shares of $35 par value of which a substantial portion has been sold at par with a bonus of one share of common with each two shares of preference stock. This stock represents the senior security of the company and it is stated that with the issue completely sold the company will have adequate financing to equip and open the entire proposed chain of 70 retail stores. Upon completion of financing there will be $315,000 of preference shares authorized and issued and 30,000 shares issued of the 40,000 shares authorized.

The candy shops to be opened will be uniform in character in a modernistic style created especially for the company by a prominent Canadian architect. Store sites are all leasehold. A manufacturing studio is in course of erection and will be in operation early in 1931 while a temporary studio is operating at present. Candy will be manufactured for retail distribution only in the company's own stores.

Directors of the company include Ernest G. Robinson, president and general manager; A. B. Pollock, president, Grimes Radio Co., Kitchener, Ont.; W. J. Taylor, president, Sentinel-Review Publishing Co., Woodstock; A. E. Hickman, president, Hickman's Ltd., St. Johns, Nfld. A. O. Coutts is assistant general manager and with W. A. Robinson and W. F. Sweetman, rounds out an executive which has had a broad experience in the candy business.

MUIRHEAD SALES REPORTED HIGHER

Three Stores Said Now to Be Doing Fair Business

Business of Muirheads is reported to have shown a slight but consistent improvement since the middle of August. Sales are higher in spite of the fact that the company is now operating only three stores as against four formerly. No attempt was made to renew the lease on the Yonge Street store as competition in the restaurant business has become very severe and a policy of retrenchment was favored by the management at this time. The margin of profit is now being maintained, however, at fair levels as a result of the increase in sales combined with a lower cost for raw products.

Dividend due July 1, on common stock was passed on account of the severe price war in the restaurant business and the general uncertainty as to the future. However, if conditions continue to improve as at present there is a possibility that the dividend will be re-established by March, 1931.

Annual statement for year ending February 28, 1930, has been delayed but will be issued shortly and will likely show a further sharp recession in earnings compared with 1927 when 37 cents was indicated on common stock and 54 cents in preceding year 1928. Financial position, however, will again show strength with cash and investments exceeding total current liabilities.

Canadian Dredge & Dock Earnings Reported Down

Earnings of Canadian Dredge & Dock Co. during the current fiscal year which ends January 31, 1931, are not as high as in 1929 but the dividend is being covered by a substantial margin, according to McLeod, Young, Weir & Co., who sponsored the offering of preferred shares. During the current year the company has secured a number of government contracts for harbor work.

In 1929, earnings were reported at $439,906, after depreciation, and the 92,423 common shares of no par value outstanding earned at the rate of $4.13 per share as compared with a dividend rate of $3 per share. The preferred shares, of which there was $85,900 outstanding at the end of the last fiscal year, pay a dividend of $7 per annum.

Canada Paving Gets New Contract

The latest contract awarded to Canada Paving & Supply Corp. is a new railway subway in East Windsor, Ont., at a price of approximately $178,000.

Other contracts recently obtained by the company include: repairing pier at Kingsville, from Dominion Department of Public Works, $27,000; paving in East Windsor, $35,876; and paving terminals of Detroit-Windsor tunnel, $70,000.

Progress Made at Haddo

Progress made recently fully justifies the expectation that the Haddo Lake irrigation dam will be completed on schedule, by October 30. Additional water for the Vernon Irrigation district will result.

J. PITBLADO & CO., MONTREAL FIRM, IS IN LIQUIDATION

Brokers' Liabilities to Public Reported as Not Large

J. Pitblado & Co., members of the Montreal Stock Exchange and the Montreal Curb Market have given notice that they were unable to meet their engagements and the firm was immediately placed in involuntary liquidation on a receiving order issued by the bankruptcy court. Gordon W. Scott and W. L. Gatehouse, of P. S. Ross & Sons, were named liquidators.

Total liabilities are in the neighborhood of $1,150,000. Against this on the asset side are equities in brokerage accounts of approximately $370,000; two stock exchange and two curb seats worth approximately $225,000, and other sundry assets which might realize in the neighborhood of $100,000. This would indicate, according to Mr. Scott, that creditors could look for at least 50 cents on the dollar, granting that the market holds at current levels.

Mr Scott stated that there would not be any appreciable amount of stock to be liquidated.

Second Failure in Year

The failure was the second Montreal Stock Exchange firm to go into liquidation within a year, the firm of Truax, Carsley & Co. having met financial difficulties less than a year ago.

In the Pitblado case it was generally agreed on the street that the public holding would not be large. It was also learned that the banks interested would not liquidate the securities of the company at present, but were prepared to hold them until conditions were more acceptable on the open market.

The firm of J. Pitblado & Co. was started when Mr. Pitblado purchased a seat on the stock exchange in 1902 and was elected to membership in February of the following year. This membership was carried in this form until March of 1920, when Charles B. Pitblado, Jr., took over the membership from his father.

The second stock exchange membership was held through W. E. Morgan, a member of the firm, who was elected in October, 1921. Official stock exchange publications carry the firm's partners as follows: John Pitblado, Charles B. Pitblado, Jr., W. E. Morgan and J. D. Gunn.

UNION NAT. GAS PLANS EXPANSION

St. Thomas Franchise, as Well as Others, May be Bought

Union Natural Gas Co., which recently secured control of United Fuel of Hamilton and the City Gas Co. of London, apparently is on the verge of securing a virtual monopoly throughout all Southern Ontario from Hamilton to Windsor and as far north as Sarnia. The company contemplates purchasing the gas franchise at St. Thomas, and further development at Galt, Brantford, Ingersoll and Hamilton is expected.

It is possible that the company will adopt the device of stock dividends until its expansion programme is finished, turning back earnings into property and equipment assets. The present quarterly dividend gives shareholders the option of cash dividends at 40 cents a share or a stock dividend at the rate of one share for every fifty held. With quotations running around $23 a share the stock dividend has a value of 46 cents a share, the difference being sufficient to decide the majority of shareholders in favor of the stock dividend, it is believed.

The company earned $2.54 a share last year on the 619,927 common shares outstanding. Current sales of the company are believed to be equal to those of last year though the total for the first eight months is down because of the long warm spell this summer.

SALES IN LOBLAW'S REPORTED AS LOWER

Sales of Loblaw Groceterias Co. were less in dollar volume in August and September as compared with the corresponding periods in 1929. Net profit during the four weeks ended August 23, 1930, was considerably lower than in 1929, while profit in the four weeks ended September 20, 1930, increased over profit made in the corresponding period of 1929. The company, in common with other food companies, has been hit by the decline in commodity prices which is reflected in less dollar volume of sales but the physical volume is reported to have been well maintained.

Sales during the four weeks ended August 23 were $1,245,324 and in the four weeks ended September 20, were $1,266,808 as compared with $1,365,139 and $1,339,922 in the corresponding periods in 1929. Net profits reported are $65,670 in the August, 1930, period as against $84,269 in 1929, and $76,454 in the September, 1930, period as compared with $64,024 in 1929.

During September the company inaugurated a system for handling large orders from institutions such as hospitals, hotels, camps, etc.

Joins Heating Contracting Firm

C. A. Dunham & Co., Toronto, announces that Thomas R. Pogue has joined its Toronto sales organization and will specialize on cost ratios of heating in modern building construction and management. Mr. Pogue is a former physical director at Toronto Central Y. M. C. A.

CLOSE INSPECTION ASSISTS MEMBERS TOR. STOCK EXCH.

September Audit Completed—No Failures Are Expected

The Toronto Stock Exchange audit due at the end of September has been completed, and although no report has yet gone forward from the auditors, The Financial Post found on inquiry of members of the principal brokerage establishments in Toronto strong confidence that there would not be a single failure among members of the Toronto Stock Exchange.

Credit for this state of affairs is attributed to the excellent audit system established in 1929. Suggestions of auditors were responsible for placing the affairs of several concerns in a sound condition to stand the nerve-wracking times of October and November last. Repeated audits since that time have been placed before the committee of three in the stock exchange which keeps all the information obtained confidential. Weak spots as soon as detected are remedied either at once by the firms being checked, or at the instance of the committee.

"If a failure were to happen at any time with a firm in Toronto, I do not believe it could possibly be as bad as those of the past," said a prominent member of the Toronto exchange. "The policy is not to allow an unsound financial position to develop with any account.

"Any tendency that way has to be checked as soon as discovered, and it is caught in the early stages. I do not see how, under the circumstances, a failure could be bad. In any case I do not believe there is reason to fear for a single firm. Naturally there is not so much business in these markets as there was a year ago, but sound audit ideas are ruling in every office and that is a big thing."

Dunning Joins Equitable

Hon. Chas. A. Dunning, former Minister of Finance, had been elected a director and vice-president of the Ontario Equitable Life and Accident Insurance Co. of Waterloo. Mr. Dunning will be actively associated in the work of the company.

NOTICES

ESTATE MANAGEMENT

or position of trust wanted by Canadian, married. 20 years branch Bank manager retired on account of ill health and in good standing, but now fully recovered. Holds B. A. degree and had several years law experience, also general business. Considered a first class all round business man by bank manager. Box 236, The Financial Post, 143 University Ave., Toronto, Ont.

TOWN OF SANDWICH

Tender for Debentures

SEALED TENDERS, marked "Tenders for Debentures," will be received by the undersigned until Monday, October 20th, 1930, for the following debentures of of Town of Sandwich, namely:

$35,280.42. Term 3 yrs. Interest payable half yearly, Rate 5½%
$14,500.00 Term 10 yrs. Interest payable half yearly, Rate 5½%
$23,000.00. Term 20 yrs. Interest payable half yearly, Rate 5½%

The three year debentures will be dated Dec. 1st, 1929, and the ten year and twenty year debentures will be dated Dec. 1st, 1930.

The highest or any tender not necessarily accepted.

Town of Sandwich,
Per H. A. HACKNEY, Treas.

$173,000.00

CITY OF SUDBURY, Canada

Debentures for Sale

Sealed Tenders marked "Tenders for Debentures" addressed to the City Treasurer, City Hall, Sudbury, will be received up to 12 o'clock noon on Monday, November 3rd, 1930, for the purchase of the following debentures:

Amount	Rate	Term	Purpose
$ 53,000.00	5%	20 Inst.	Public School Board.
120,000.00	5%	20 Inst.	High and Technical School Board.

Debentures dated November 1st, 1930. Interest payable semi-annually November 1st and May 1st. Principal and interest payable at the Royal Bank of Canada, Toronto, Montreal and Sudbury.

Sudbury is a thriving city of 23,000 and has enjoyed a steady growth for years.

Total Debenture Debt at Oct. 1st, 1930	$ 2,034,410.00
Value of Building Permits, 1929	2,311,870.00
Value of Building Permits to Sept. 1, 1930	1,721,895.00
Total Assessment for 1931	15,701,309.00

Not yet confirmed by Court of Revision.

The highest or any bid not necessarily accepted.

H. R. GRANT, City Treasurer.

City Hall, Sudbury, Ont.

CITY OF SASKATOON, SASKATCHEWAN

DEBENTURES FOR SALE

$643,500.00

Sealed tenders, addressed to the undersigned City Commissioner, and marked "Tender for Debentures" will be received up to 12 o'clock noon on **Monday, October 27th, 1930**, for $643,500.00 ten, fifteen, twenty and thirty year Sinking Fund Debentures, payable in Montreal, Toronto, Winnipeg, Vancouver and Saskatoon at the option of the holder.

Alternative bids will be considered on the debentures bearing,—

(a) 4½% interest.

(b) 5% interest.

(c) Alternative bids will also be considered on the basis of the interest and principal being payable at the agency of the Bank of Montreal in New York as well as at the Bank of Montreal in the above-mentioned Canadian cities.

The debentures will be dated November 1st, 1930.

The whole issue is a direct obligation of the City at large. Provision is made for registration of principal only.

The City reserves the right to reject any or all tenders, also to accept an alternative proposal for part of the total issue.

Prospectus will be forwarded on application.

J. W. HAIR, *Mayor.*

ANDREW LESLIE, *City Commissioner.*

CITY OF VANCOUVER, B. C.

DEBENTURES FOR SALE

SEALED TENDERS will be received by the undersigned up to 2 P.M., Tuesday, October 21st, 1930, for the following City of Vancouver Debentures amounting to $2,544,588.27.

By-law	Purpose	Amount	Int. Rate	Term	Maturity
GENERAL.					
2039	Sewers	$ 750,000.00	5%	40 yrs.	Jan. 15th, 1970
2041	Fire Alarm Headquarters	350,000.00	5%	40 yrs.	Jan. 15th, 1970
2042	Airport	300,000.00	5%	20 yrs.	Jan. 15th, 1950
2088	Sewers and Watermains	529,455.90	5%	30 yrs.	Aug. 12th, 1960
		$1,929,455.90			
LOCAL IMPROVEMENTS (Property Owners' Share)					
2077	Cement Walks	$188,208.69	5%	10 yrs.	June 30th, 1940
2078	Cement Walks	54,219.43	5%	10 yrs.	June 30th, 1940
2080	Cement Walks and Orn. Lighting	296,338.49	5%	15 yrs.	June 30th, 1945
2081	Ornamental Lighting	3,310.80	5%	15 yrs.	June 30th, 1945
2092	Ornamental Lighting	73,054.96	5%	10 yrs.	Sept. 22nd, 1940
		$615,132.37			

Interest payable half-yearly at rates set out above.

The General Debentures are a direct obligation of the City at large.

The Local Improvement Debentures (Property Owners' Share) are secured by local special rates on the properties benefited, and are guaranteed by the City at large.

Provision can be made for registration of principal.

Tenders may be submitted on the basis of interest and principal payable in Canada only, and in Canada and the United States, or otherwise.

Parties tendering are required to state the net price for Vancouver payment and delivery of the Securities. If desired, delivery will be made elsewhere at the purchaser's expense.

Above By-laws have been examined by Messrs. Long & Daly, Solicitors, Toronto, and these Debentures are sold subject to the purchasers accepting their approval, which is available to the purchaser on payment of the regular fees.

A Certified cheque payable to the City Treasurer for $10,000.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON, City Comptroller.

Charles Gurd Co. Sales Higher for Nine Months

From Our Own Correspondent

MONTREAL. — Despite the fact that summer temperatures averaged about 10 deg. less than 1929, sales of Charles Gurd & Co., for the months ended September 30, were slightly in excess of the same period last year. The company manufactures a wide line of carbonated beverages.

According to official reports, indications for fall and winter business are encouraging, while the management expects the company to share in a general upward trend of Canadian industry.

Charles Gurd & Co., has completed the plans projected a year and a half ago, in respect to construction and machinery installation. No change in the financial structure of the company has taken place beyond the redemption of $30,000 of preferred stock in July, 1930.

With sales well maintained, the outlook for profits during the twelve months ending December 31, 1930, is encouraging. In 1929, net profits were $207,645 or the equivalent, after all deductions, of $3.11 a share on the common stock. A dividend of $2 annually is paid on the junior securities which have remained firm on the Montreal Stock Exchange, around 25, in recent trading.

Study The Companies in Which You Invest

A complete picture of any Canadian company can be had in a company analysis prepared by The Financial Post Corporation Service.

Each card gives complete and accurate information about a company and the information is kept up-to-the-minute by news cards sent out immediately upon announcement of any item of interest. Points covered include: history, business, properties, directors, capitalization, dividend record, stock market record, earnings statements and balance sheets for seven years, and many other vital facts.

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Noranda Mines, Limited
Lake Shore Mines, Limited
Shawinigan Water & Power Company

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TROUBLES FACING B. C. BOND CORP. CAUSING CONCERN

Underwriting Losses Given as Main Reason For Financial Condition

CLIENTS INVOLVED

Officers Suggest Patience as Means of Saving Situation; Government Names Investigator

From Our Own Correspondent

VICTORIA, B.C.—By request of the British Columbia Bond Corp., its clients met last Wednesday to hear a statement of the corporation's financial situation and consider its appeal that no embarrassing legal action be taken. The consensus of opinion appeared to be that the meeting was not sufficiently informed to reach an opinion as to alternatives presented, and Edward Winslow, Cumber Birch and George Braidwood were named a committee to investigate and report to a later meeting of clients to be convened by them.

The attendance of clients of last week's meeting was exceptionally large. Officials of the corporation urged that they were assured such financial assistance as would enable them to carry on and realize on assets so as best to conserve the interests of clients, provided no suits were entered.

Ask Clients to Forebear

The alternative was stated as being whether the company should itself liquidate its business or be forced into bankruptcy. Clients, it was declared, had fully protected their margins. It was, nevertheless, understood that a number had been sold out during the preceding day on the New York Exchange. Indignation was freely expressed that this should have occurred, more particularly on a day when New York prices were at the lowest ebb since last November and only a few points above the lowest in years.

The B. C. Bond, it was stated, held a considerable amount of stock on its own account, not purchased for clients, and money had been borrowed on this collateral. These stocks, however, had considerably declined in market value, and no other security being available, the loan had wholly or partially been withdrawn.

Investigator Named

"If after considering the whole situation our creditors will allow matters to stand, pending realization of the equity of the marginal stocks," an official says, "the company will eventually be able to meet the situation. In any event, the arrangements suggested, if made, will provide additional outside funds to care for clients' accounts. The assets will be kept intact."

Margins Up to Requirements

In reply to questions, Mr. Fraser said that the margins of the clients who were sold out on Tuesday, Oct. 7, were practically all up to the requirements.

"Has the adverse position arisen out of the speculation of the company or the clients?" M. B. Jackson asked.

"Out of both," G. Lyall Fraser, a director replied.

Mr. Jackson asked whether separate accounts were carried in New York for clients holding the company holdings.

"It has been the custom of the company to carry all in one account," Mr. Boorman replied. He said that the firm had been carrying a credit of $396,000 in New York.

Underwriting Losses

"Does it not follow you must have been using other money in these securities? I want to know if there was any misuse of customers' money in your private speculations—the margin of the customers is in good standing and isn't part of nor all of the deficit — not through the directors?"

"Our losses have been caused to us by underwriting various issues for distribution," Mr. Fraser said.

The spokesman for a Nanaimo group of clients wanted to know why the clients who were all paid up in their margin should be sold out and have to bear the losses the company and directors had incurred through their investments in blocks of stocks, which they had bought to sell or distribute at higher prices and for the benefit of the company and its directors or shareholders and not at all for the clients.

He said it seemed that the clients had been sold out, but when prices of securities went down the blocks of stocks the firm had were not liquidated and on these the big losses had been incurred.

In reply to questions from Mr. Jackson, Mr. Fraser said that the liability of the directors was limited. He said the directors were anxious to save the company and had certain moneys which they could bring into the firm, provided no action was instituted by any client.

C. D. Prior, barrister, has been appointed under the Security Frauds Prevention Act as a representative of the attorney-general to conduct an investigation into the affairs of the B. C. Bond Corporation Ltd., it was officially announced by the attorney-general's department.

This, it was explained, is a precautionary measure taken by the attorney-general's department, and the extent of the investigation will be wholly governed by the circumstances encountered.

Agricultural Survey

A Weekly Feature

Bureau of Statistics Reviews Crop Conditions As at September 30

Maritime Provinces.—September was quite favorable for the harvesting of crops throughout the three provinces. Grain gave high yields of good quality and was threshed under favorable conditions. There has been an absence of the usual September frosts. However, the dry weather experienced earlier in the season continued on into this month, with the result that pastures and hay have been further affected. Rain has fallen in a few places in New Brunswick which will help the situation. Potato digging is well under way, the tubers being housed in good condition, but with some rot and scab being evident, noticeably in the later crops. Root crops have been generally affected by the drought.

Quebec.—The grain crops have been harvested under generally favorable weather conditions, notwithstanding considerable rain in many parts of the province. This has caused the sprouting of grain left in the fields, particularly on low-lying land. On the whole the crops have turned out well and cereals are of good quality. Potatoes are suffering from the wet weather and scab and rust and blight have made their appearance. However, there are some good tuber crops. Pastures are generally good. In some localities ploughing is rendered difficult by the dryness of the soil.

Ontario.—The past month has been a favorable one for crops in every part of the province, particularly in the eastern sections where correspondents state that many farmers had the best crop in years. Timely rains in western and central Ontario have relieved the situation arising from very dry conditions of the past season. Consequently, pastures as well as fall wheat have benefited. The outturns of most grains are satisfactory and the quality is very good. Fall ploughing is generally well under way, but is difficult owing to the dry condition of the soil. Feed will likely be plentiful for the winter. The milk flow has recently taken a drop, partly because of dry pastures. Livestock are in fair condition.

Manitoba.—Threshing is nearly completed in every part of the province. Some varieties of wheat have yielded well, others rather poorly, dependent partly upon weather conditions and partly on the amount of rust prevalent in the particular district. Outturns are much better than expected at first, and the grain is of splendid quality. Potatoes are a fair crop in most districts. Heavy frosts were experienced at the last of the month. Ploughing is well advanced but there is a great need of immediate rains as the ground in very dry. Feed prospects are none too good, although some districts seem to have plenty. Livestock are in good condition.

Saskatchewan.—Rain, and in some cases snow, interfered with threshing operations in September, the regions most affected being generally in the northern portion of the province. In the southern and central part, threshing was well advanced and in some districts practically completed before the unfavorable weather set in. The main injury has been from bleaching and sprouting, which are reported in many fields in the north. Previous to the rain, the wheat was grading very high, but the unthreshed grain will suffer to a marked degree in grade. The dry condition of the soil, resulting from the prolonged drought in the central and southern districts, has not encouraged fall ploughing, consequently there has not been as large an acreage fall ploughed as would otherwise have been the case.

Alberta.—Threshing operations have been retarded by rain and snow and slight damage has been caused to the grain which was necessarily left standing in the fields. There is still some grain to cut. In many instances, yields are turning out better than at first anticipated, grade and quality being very satisfactory in spite of weather conditions. There has been little frost to date. There appears to be some smut, but the damage is small from this source. Potatoes are a good crop. The late rains will help the feed situation. Livestock are in good condition as pastures have kept up well.

British Columbia.—Grain crops have been harvested under favorable conditions with generally good yields. Heavy frosts during the week September 21 to 27 cut down potatoes and prospects are that the crop will be light. Recent rains will revive pastures and make fall ploughing possible.

Turner Valley Drilling Report

(Wells being drilled by Imperial Oil)

PROGRESS REPORT—Week Ending Oct. 11, 1930

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drill.	Remarks
Royalite	4	DD.	....	....	...	Moving out diamond drill.
Royalite	20	R.	4455	4663	208	Drilling in sandy shale.
Royalite	24	S.	5024	5080	56	Drilling in sand.
Royalite	25	R.	2365	2538	173	Drilling in shale.
Foothills	2	DD.	4937	4579	...	Drilling out cement at 4,579 ft.
Home	6	S.	4212	4300	88	10 in. casing lowered to 4,251 ft. underreaming.
Mayland	3	R	5726	5850	124	Circulating prior to running 6⅝ in. casing. (Top lime at 5,825 ft.)
Mayland	3	..	49	215	166	20 in. casing cemented on bottom, standing.
Lowery Pete.	2	R.	2334	2581	247	Drilling in shale.
C. D. & P.	1	R.	3059	3059	...	Rigging up rotary.
Southern Lowery	1	S.	4086	4097	11	8⅝ in. casing lowered to 4,070 ft.

Note: R—Rotary. S—Standard. DD—Diamond Drill.

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WESTERN SALES OF IMPLEMENTS DROP 40 PER CENT

U. S. Trade Commissioner Finds Inventories Very Low, However

FUTURE IS BRIGHTER

Inability to Buy Seen as Only Deterrent Factor—1931 Expected to Improve

Sales this year of tractors, threshers, combines, and other agricultural machinery and implements in the Prairie Provinces are estimated by trade authorities at from 30 to 40 per cent below last year's figures, according to a report from the U. S. Trade Commissioner at Winnipeg. This condition is attributed largely to reduced purchasing power of the farmers resulting from low prices for wheat and coarse grains.

The potential demand in practically all lines of agricultural implements has undergone little change from last year and the present low ebb of business is attributed solely to the farmers' inability to buy. The success of the combine has caused a rapid growth in its popularity and, other things being equal, sales this year would have exceeded last year's. The unusual hardness of the ground brought about by the hot, dry summer makes the need of tractors for the fall plowing, discing, and cultivating greater this year than in any other season.

Sales Hard to Make

In face of the existing hard times among the farmers, however, sales are increasingly difficult to make. Expressed in percentages, tractors are 30 per cent, combines 35 per cent, threshers 40 per cent, and small implements 40 to 45 per cent below last year's sales.

The already liberal credit terms extended to the farmers by the manufacturers of agricultural machinery and their agents are being increased to selected risks in an effort to carry over deserving farmers and keep up sales volume. Credits, however, are being carefully watched and losses from bad debts this year are not expected to be any larger than usual, although collections are admittedly very difficult.

The carryover of all classes of implements, it is believed, will be the lowest in many years, despite the poor sales. The early break in the grain prices enabled distributors to anticipate the present situation and many orders from distributors and factory branches for August and September were cancelled in time for dealers to avoid tying themselves up with large stocks. Their position with regard to next season is believed to be favorable.

Actual Sales Estimated

Although it is too early in the year to obtain actual sales figures, the sales of tractors, threshers, and combines for this season are estimated to be: Tractors, 10,200 to 10,500; threshers, 1,250 to 1,400; and combines, 2,150 to 2,300. Sales of all types of agricultural implements have varied widely in different localities, owing to losses in various areas from drought, rust, and hail.

On the whole, business has been most uniformly good in Manitoba, with only a rather bad rust scare to complicate the depressed business condition.

Dealers in agricultural implements, while frankly admitting the unsatisfactory amount of business done this year, are facing the future with confidence and are almost unanimous in the belief that a turn for the better can be expected next year.

MAYLAND WELLS BRIGHT FEATURES IN OIL STATISTICS

Royalite No. 4 Produces Only Five Barrels in Month

Mayland's two producers were the features of the September production report from Turner Valley. Late in August, Mayland No. 1 well was shot with nitro-glycerine. How effective it was is disclosed by the September production which averaged 170 barrels daily. Royalite No. 4, Turner Valley's original naphtha producer struck a new low with a production of but five barrels for the entire month.

The largest producer for the past two months has been the Royalite No. 17 well which has averaged around 220 barrels daily. The Calmont well which had such a heavy initial gas flow and was reported to be an outstanding well has averaged 117 barrels per day.

The following are a comparison of August and September production from Turner Valley:

Crude Naphtha	Sept.	Aug.
Royalite No. 4	5	1,122
Royalite No. 6	4,967	6,686
Royalite No. 8	505	539
Royalite No 11	503	1,490
Royalite No. 17	6,610	6,363
Royalite No. 18	3,046	3,084
Royalite No. 19	4,685	4,967
Royalite No. 23	4,950	3,164
Associated No. 1	641	1,936
Dalhousie No. 1	146	210
Dalhousie No. 6	123	155
Dalhousie No. 7	1,277	....
Foothills No. 1	199	....
Home No. 1	3,252	3,885
Home No. 2	4,789	2,847
Home No. 3	5,886	7,419
Home No. 4	3,465	3,449
Lowery No. 1	5,667	6,088
British Dom. No. 2	2,263	2,397
Freehold No. 2	3,254	3,101
Totals	54,733	61,057

Discolored Crude Naphtha	Sept.	Aug.
Advance No. 5A	4,348	4,342
Associated No. 1	1,943	505
Associated No. 2	271	....
Baltac No. 1	1,433	1,187
Dalhousie No. 7	1,773	2,771
Foothills No. 1	2,981	3,371
Foothills No. 2	1,308	2,208
Hargal No. 1	344	149
Mayland No. 1	5,103	2,426
Mayland No. 2	3,576	....
Sterling Pacific No. 1	513	382
A.P. Con. 1 and 2	1,440	1,403
Calmont No. 2	3,520	2,674
Mercury No. 2	1,016	809
Mercury No. 3	5,755	5,649
Mill City No. 1	200	....
Model No. 1	4,871	5,077
Totals	40,395	35,880

Crude Oil	Sept.	Aug.
Royalite No. 15	188	188
Royalite No. 21	262	432
Dalhousie No. 5	1,564	822
Home No. 1	183	159
Home No. 2	355	595
Totals	2,552	2,486

	Sept.	Aug.
Imperial total	97,680	99,423
Regal total	11,905	11,878
Grand total	109,585	110,301

Hunts Reports 1930 Earnings Over '29 Level

Sales by Hunt's Ltd., confectionery and tea-room chain, during the first nine months of the current year are reported at $852,687 for an increase of $12,041 or 1.43 per cent over the total of $840,646 reported for the corresponding period of 1929. September sales, however, declined for the third consecutive month with a total of $87,982 as against $92,777 during September, 1929.

Earnings of the company are officially reported to be in excess of the earnings for the first nine months of 1929 and it has been announced that a bonus will be paid on January 2, 1931. The bonus paid on January 2, 1930, amounted to 50 cents per share and was in addition to the quarterly dividend disbursements of 25 cents per share on the class A and class B stock.

WEYBURN, SASK., WILLING TO SELL ITS POWER PLANT

Montreal Engineering Co. is Probable Buyer of Utility

From Our Own Correspondent

REGINA—The town of Weyburn and Montreal Engineering Co. have applied to the Local Government Board for approval of the sale of the local power plant to the company, and for a grant of a franchise for power distribution. The sale price has been quoted at $435,000.

Montreal Engineering Co. was, up to two years ago, one of the companies most active in expanding its power lines in the province, and it had a considerable number of distribution stations, especially in the southern part of the province. Activity of the provincial power commission brought a very considerable check to the activities of the power companies in the province, largely due to uncertainty as to what the government might do. Recently, however, there has been a revival of interest on the part of power companies, while at the same time municipalities which still own their own power plants, gradually dwindling number, continue to show anxiety to be relieved of the burden.

Formerly a municipality could sell out its power plant if it so desired, upon the approval of the ratepayers' but under recent provincial legislation the approval of the Local Government Board is required before a proposal can be submitted to the ratepayers.

Vancouver Men Visit China

The Vancouver Board of Trade will have at least five representatives on the delegation of Canadian business men who will leave in October to visit China and Japan under the auspices of the Canadian Chamber of Commerce.

PRAIRIE HOPES OF PIPE LINES NOW DEFERRED

Applicants For Franchise Point to Conditions in Financial Markets

CITIES HIRE EXPERT

Regina, Saskatoon, Get Buffalo Man to Advise in Negotiations Which May Lead to New Project

From Our Own Correspondent

REGINA—Projects for piping natural gas to the cities of Saskatchewan seemed to be advanced when the city councils of both Regina and Saskatoon appointed H. R. Davis of Buffalo as expert to advise them as to the merits of the respective proposals put before them by various interests applying for franchises.

But concurrently with the arrival of Mr. Davis in Regina to receive instructions a setback occurred in the announcement by C. J. Yorath, president of the Dominion Gas & Electric Co., that the American Commonwealth Power Corp., of which the former company is a subsidiary, was not prepared to guarantee immediate financing and commencement of a pipeline enterprise.

Market Not Favorable

A telegram from the American Commonwealth Power Corp. to Mr. Yorath, which was transmitted to the Regina council, stated that when the company a short time ago acquired the Western Canadian interests of the International Utilities Corp., it was largely influenced by the possibility of acquiring franchises in Saskatchewan cities for the distribution of natural gas.

Up to recently they had fully intended proceeding with such an enterprise as soon as the necssary franchises could be obtained, but financial conditions had so materially changed that their principal banking connections in New York had refused to make firm commitments at this time. Moreover, they expressed the opinion that no one else would be able to finance such an undertaking until there had been a very great improvement in financial conditions.

But Want Franchise

In this connection they point to the fact that in addition to utilities in Canada with assets in excess of $23,000,000, the company controls utilities in the United States with assets in excess of $200,000,000 and gross annual revenues of $26,000,000, in spite of which fact they are unable to commit themselves to completion of the project in question at any specific time.

In spite of the financial situation, Mr. Yorath intimated the desire of his company to proceed with negotiations respecting the terms of a franchise, the time factor to be given later consideration. The other companies seeking franchises have given no intimation of any change in their financial plans.

Mr. Davis has begun, and is now proceeding with his investigation.

Saskatoon Utility Profits Gain

The surplus of the Saskatoon Electric Light and Power plant for the first eight months of 1930 was $99,841, as compared with a surplus of $74,661 for the same period of 1929.

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Canadian Mining News

MARKET SETS NEW LOW VALUE FOR NORANDA

Earnings Impaired But Company in Strong Position For the Future

GOLD ORE HELPS

New No. 19 Ore Body With High Gold Content Supplies Fluxing Ore

With Noranda breaking through to $13.15 per share, the lowest recorded since 1926, it is evident that traders realize the impossibility of the company earning the present dividend of 50 cents per quarter with current copper prices.

Noranda is in one of the best positions of the many copper producers, and to those who purchased the stock as an investment for the long pull, there is no need to be unduly alarmed by the present market.

Has Promising Future

All the copper producers have cut or passed their dividends and it is apparent that a similar policy by Noranda would be in the best interests of its shareholders. The company has been expanding and building for the future in such a way that upon the return of near normal copper prices it will be in an enviable position among copper producers. It not only will produce refined copper upon the completion of the new copper refinery at Montreal East, but through its fabricating affiliations will have an assured market for its product.

Ore bodies at Noranda permit of a most flexible mining operation. It has large sulphide copper ore bodies assaying over 7½ per cent in copper and better than $3 in gold per ton. It has lower grade sulphide ore bodies assaying 2 per cent copper, which are also better than $3 in gold and it has siliceous ore bodies carrying high gold values.

In order to successfully smelt the sulphide ores it is necessary to maintain the proper balance of siliceous ore as a flux, and it is for this reason that it would not be sound practice to treat an undue ratio of the siliceous gold ore and so pledge the future of the mine in order to obtain a temporary advantage.

Will Save Rich Ore

J. Y. Murdoch, president of Noranda in discussing the present situation with The Financial Post, said it would not be the company's policy to impair the future of the mine by taking undue amounts of the higher grade gold ore.

Mr. Murdoch made a very significant statement when he said that the new No. 19 ore body, discovered early this summer, was now producing over 500 tons daily and that development work to date had disclosed over 100,000 tons of siliceous ore, high in gold.

This would indicate that the new ore body is supplying all the siliceous ore required, and that the ratio of this ore is about 25 per cent of that smelted.

It is this flexible mining operation that puts Noranda in such a preferred position at the present time when copper prices are low, and while indications are that it will not earn its present rate of dividend for the last six months of the current year, it will be able to show a profit that shadows most of the copper producers on this continent.

McIntyre Mine Earnings Gain In Six Months

Earnings of McIntyre Porcupine Mines, Ltd., for the six months ended September 30, 1930, is officially reported at $1,026,276 before depreciation. The company, therefore, shows an increase over the corresponding period of 1929 of $86,733 as earnings were $939,543 in that period.

Total income in the first six months was $2,365,433 subject to deduction of $1,270,265 for costs including development, and $68,893 provision for taxes during the period. Costs in 1929 amounted to $1,176,109 and taxes to $59,821 for the first half of the fiscal year.

Statement of earnings during the first two quarters of the current fiscal year are as follows:

	1930 1st. Quar. to June 30	1930 2nd. Quar. to Sept. 30
Gross income	$1,148,866	$1,216,567
Costs	663,303	636,961
	515,563	579,605
Less taxes	31,528	37,364
Profit*	484,035	542,241

*Before depreciation.

CHIEF REVENUE OF C. & E. CORP. SALES OF RIGHTS

Net Revenue Amounts to 5 Cents a Share on Common

Calgary & Edmonton Corp. realized $116,044 net from sale of mineral rights during the 20 months' period ended June 30, 1930, according to the financial statement of the company just issued. An additional $5,470 in profit and surplus account brings the net earnings of the company to $121,514 or at the rate of 5 cents per share on the 2,414,050 no par value shares outstanding.

Total realization from mineral rights amounted to $203,200, including $9,430 received or due from royalties. After deduction of $87,156 for operating expenses there remained $116,044 in the realization account. The profit and loss account shows interest receipts of $6,152 against interest disbursements of $624 and tax disbursements of $57 leaving a balance of $5,470 balance forward.

Included in the realization account is 4,400 shares in Foothills Oil & Gas Co. and 90,000 shares in Calgary Development & Producers Ltd. received in return for mining rights to which no value has been given. Current assets amount to $180,101 as compared with current liabilities of $19,050.

In the statement to shareholders, H. F. Osler, president of the company, says that a final ruling from the department of national revenue on the question of income tax as affecting the corporation's receipts will not be obtainable for some time. In the meantime the accounts have been made up in the manner considered most advantageous to the corporation. When the question is settled, any changes if necessary can be made, Mr. Osler states.

The corporation was formed in February, 1929, to take over the mineral rights of the Calgary & Edmonton Land Co. The authorized capitalization is 3,350,000 shares of no par value of which 2,415,100 shares are to be outstanding.

HOWEY REPORT REVEALS NEEDS; YET COSTS LOW

Hand Sorting in Surface Plant Will Improve Grade

CHANGE IS LIKELY

Huronian Company May Become Factor—No Provision Yet for Essential Write-offs

Necessity for additional financing to provide equipment for hand sorting or other means of increasing the average ore value treated in the mill, and to pay off loans, an operating deficit for the period in which the mill has been running, and low operating costs are salient features of the Howey Gold Mines report for the fiscal period ended July 31.

It is believed that Huronian Mining & Finance Co. which has issued a report on operations will participate in the financing and subsequent management.

Costs Are Low

A possibility of $5 ore with hand sorting is mentioned. Costs are low, but a low point of $3, including administration, is probably the limit. With a mill capacity of 1,000 tons daily, there thus would be some $730,000 profit annually available for depreciation, taxes, depletion, amortization of development and dividends on the 4,900,000 shares presently outstanding.

The operating deficit for the five months of mill operation is $20,856 after interest and head office expenses but before taxes and writeoffs.

Howey's mill got into operation on April 2. In the following five months, there were two months, April and May, with operating losses, and three months, June, July and August, with operating profits. In August, with ore going through the mill at the rate of 530 tons per day, or 30 tons above the rated capacity, the operation profit was $9,593, or not much under the preliminary estimate as announced in The Financial Post some weeks ago.

Gross Profit 90 Cents

Howey operating costs in August were $2.93 per ton, or the lowest ever achieved in the history of Ontario gold mining. The value per ton was $4.12, minus tailings loss of 29 cents, or a net value of $3.83 per tons. Thus the gross profit, subject to head office expense, interest, depreciation and taxes was 90 cents per ton.

Cost per ton, including head office expense and interest, was $3.24 per ton in August, leaving 59 cents per ton applicable to depreciation, taxes and surplus.

With an outstanding capital of 4,900,000 shares, Howey Gold Mines is a long distance from being a profitable enterprise even though its operating costs are lowest of any gold mine. The indicated gross revenue of a little more than $300 per day, or say $110,000 per year, might be just about sufficient to take care of depreciation if the mine has a life of ten years, to say nothing of dividends, amortization of the $475,000 loan, taxes and plant expansion beyond mere maintenance.

Huronian Report Summarized

There is, however, hope that Howey may yet become a profitable mine from the point of view of the shareholders. The directors recently engaged the Huronian Mining & Finance Co. to make an investigation into conditions and the summary of the report, appended to the Howey statement, is in some degree encouraging.

Yet it is apparent that the company, under the best of circumstances, is years from dividend possibilities. New money must be provided. The lenders of the $475,583 are not pressing for payment but there is no doubt that the loan must be repaid before there can be dividends. Adequate depreciation must be provided on mining plant and equipment carried in the books at $1,073,006.

Ore Occurrences Erratic

J. Leslie Menneil, M.Inst.M.M., consulting engineer, makes the report on behalf of his associates, E. Y. Dougherty and G. A. Howes, after having spent two months at the property in the employ of the Huronian company. The report reads in part as follows:

"On account of the erratic nature of the ore occurrences in the dyke, it is difficult to estimate from preproduction development work and sampling, however exhaustive this latter may have been, the average value of ore that it is possible to mine by selective methods. Not only are the ore intersections themselves in the development crosscuts difficult to sample and assess by reason of the spotty occurrences of the gold, but the lack of continuity in the dyke of the gold-bearing stringer systems themselves makes it impossible from such assessments to deduce minable grades after the unavoidable dilution with barren dyke rock in the process of mining them.

"The preproduction development work does appear to indicate an aggregate of 2,592 feet in length spread over all levels to date, in which length the dyke as a whole averages a minimum of $2.75 per ton for 50 feet in width. In all the 33 crosscuts within this developed length, richer ore, averaging $5.78 per ton over intersections averaging 24.5 feet, has been encountered. For these reasons it appears probable that minable grades by selective methods may be expected in this development length.

"While average value of the ore mined to date showed a gold content of $4.52 per ton, it should be stated that this ore, either from sills or stopes, was not extracted from lower grade areas.

True Costs Elusive

"It is difficult to assess true costs during the early months of operating a property with new equipment, both in mine and mill, but no profits so far have been made. It is also difficult to forecast future operating costs and the best chance of producing a favorable balance now appears to lie in the possibility of increasing the grade of ore by surface sorting.

"Study so far lends ground for hope that 25 per cent to 30 per cent of the mined rock may be discarded as waste by surface sorting and the mill grade thereby increased to over $5 per ton. Should this be accomplished it may also be found possible to adopt cheaper mining methods by exploiting all or most of the dyke, relying for grade upon surface sorting.

"Due to the fact that production is being drawn from incompleted shrinkage stopes, large additional tonnages will have to be broken and left in stopes in nearby current operations over and above the tonnage which can be drawn for milling. The cost of this and also for other improvement including a sorting plant, if sorting be successful, will be appreciable, for which funds should be provided.

"The tonnage of minable reserves opened up by the above 2,592 feet of development and mining to date cannot be stated owing to the irregular discontinuous nature of the ore occurrences and the lack of raises between levels.

May Be Ore at Greater Depth

"The eastern regions of the four upper levels are in barren dykes, and diamond drilling from the surface further east at these horizons has been unpromising. The western faces and stopes on the four lower levels, however, show that the limits of the ore zone at these levels have not been reached there. Further ore reserves of are probable, by continuing eastward similar tenor to those already developed development of these four levels.

"The chances of the ore zone extending below the 1,000-foot level are excellent. The general grade of ores found within the zone from the first to the 1,000-foot level, with regional exceptions, varies little, and similar grades of ore may be expected below. If sorting tests show that the ores can be profitably treated after sorting, development at depth, to at least 1,500 feet, should be started from the eastern extension of the body from the 1,000-foot level.

"It is our opinion that the physical condition of the mining and milling equipment, which has a capacity of 500 tons per day, is conducive to efficient and low-cost operation."

The report of Mine Manager H. G. Young, which covers August, a month beyond the fiscal period, shows expenditure of $127,816 on construction in 1930, compared with $598,411 in the previous full year. The largest item in 1930 was $91,629 on the cyanide mill, compared with $348,164 on this item in 1929. Additions to plant and equipment totalled $9,416, of which $8,235 was underground.

Freight Costs Less

Mr. Young points out that transportation of machinery and supplies from the railway to the property at Red Lake was $100,000. Marine railways at portages will reduce this expense further, it is stated. The plant has been so designed and built that the mill capacity can be doubled to 1,000 tons at an expenditure of only $75,000, according to Mr. Young.

In the eight months there were 561 feet of drifting, 215 of crosscutting, 1,917 feet of raises and 760 feet of boxholes. There also were 2,069 feet of pockets and haulage. This work cost $153,470 in 1930, compared with $291,037 in the previous full year.

Ore hoisted was 52,213 tons and in addition 6,302 tons were taken from the dump.

Sills Are Too Wide

"The average width of sill is 35.6 feet, which is about 18 feet wider than development," comments Mr. Young, who adds that the extra width has an average of $3 per ton, which is too low, and it is admitted that sill development has been carried too wide, with consequent over dilution. This is being corrected by starting the shrinkage stopes above the sill narrower, by dropping hangingwall margins which proved unpromising on sill development. It is anticipated that grade will improve in proportion as mill feed is derived from these shrinkage stopes, instead of from sill development, as to date.

Tailings loss was around 20 cents per ton in the first four months of operating but rose to 29 cents in August due to agitator trouble. Total operating costs were $4.73 per ton in April, $5.12 in May, $4.05 in June, $3.34 in July and $2.93 in August. There was a steady increase in tons milled from 6,682 tons in April to 16,444 tons in August. Head office expenses, including interest on loan, were lowest in April at $4,755 and highest in August at $5,127.

Ore Reserves 1,500,000 Tons

Total ore reserves are given at 1,500,000 tons, of which 375,000 tons are given as "probable." This would supply the present mill for about eight years. It is stated that the probable ore does not include any tonnage below the 1,000-foot level, but is allowed entirely on the extensions of the four lower levels on the known rake of the ore body. This ore can be developed quickly, it is said.

The transmission line cost $190,815, or $4,600 per mile.

Debts Are Heavy

The balance sheet shows the company with current assets of $70,617, of which $13,149 is in cash and $54,904 is in bullion, against current liabilities of $556,324, of which $475,583 is a loan from W. S. Cherry, vice-president, and associates, and $40,000 is a secured bank loan.

The company also has $10,000 on deposit with the Ontario Hydro Commission. Plant, equipment and supplies are shown at $2,083,469. Mining claims and licenses are carried at $3,271,650.

At the end of the previous year, Howey had working capital of $813,252. Current liabilities were only $11,836 and the company had $724,693 in cash.

Following shows the recovery and expense for the four months of mill operation:

Income and Surplus Account
Four Months Ended July 31, 1930

Ore production	$164,341
Less:	
Development	12,604
Slashing and haulage levels	6,582
Box holes	7,478
Mining	76,115
Crushing and conveying	5,915
Milling	37,147
Shipping and marketing bullion	1,864
Insurance	4,538
Admin. & gen exp.—mine office	18,232
Head office expenses	3,636
Interest	10,756
Carried to balance sheet (deficit)	$20,586

The annual meeting will be held at the King Edward Hotel, Toronto, on October 20 at 2 p.m.

Matachewan Find Causes Gold Rush

From Our Own Correspondent

COBALT.—A gold rush is under way to the Matachewan area. All along the line of the T. & N. O. Rly. prospectors are to be seen coming from or en route to the scene of the discovery. The route leads along the Montreal River to Powell Creek, four miles to the south of High Falls, thence westward for ten or twelve miles. The discovery was made by Bert Ashley, of Haileybury.

Panning showed coarse gold. Further work to the south disclosed what is believed to be the continuation of the vein about 400 feet away from the original discovery. Samples brought out by the discoverers show chunks of gold as large as a bean. Other samples show the gold nicely disseminated throughout the quartz and vein material.

LOCARNO ACQUIRES NEW N. S. PROPERTY

Is Erecting Mill to Treat Ore on Dump

Locarno Copper Mines is to resume the exploration of its gold property in the Stormont mining division of Nova Scotia, according to official advice from the company.

This company was incorporated in Quebec to develop a copper prospect in Clericy and Dufresnoy townships. Subsequently other copper-gold prospects were acquired in the same area, all of which were given up except one small block held under patent.

About a year ago the Nova Scotia property was acquired, the exploration of which made it advisable to secure the adjoining properties. Subsequently these additional areas were obtained and the present activities are now directed at treating the ore on the dump. A small stamp mill has been purchased and is now being erected on the property.

A bulk sample of approximately one ton of ore from the dump, sent to the Nova Scotia Technical College, gave a return of 1.47 ounces of gold, which with a tailings loss of .04 oz., indicated a gross value of approximately $30 per ton.

Trail Smelter Receipts

Following is a statement of ore received at the Trail Smelter for the period October 1 to October 7, 1930, inclusive:

Name of Mine	Locality	Tons
Bell,	Beaverdell,	49
Highland Lass	Beaverdell,	26
Planet,	Nicola,	21
Silver King,	Tulameen,	28
Union,	Lynch Creek,	32
Yankee Group,	Grand Forks,	20
		176
Company Mines		7,937
Total		8,113

Mining Inquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance inquiries on sheets separate from mining inquiries. No answers can be given by telephone or telegram.

Gold Rock Mines

Please give me any available information of Gold Rock Mines Ltd. I hold a number of shares and am interested in the prospects of the company.

Gold Rock Mines Ltd., is inactive, pending acquiring additional finances. It owns options on a group of properties in the Dryden gold area of Ontario. One of the properties owned is an old producer equipped with an old-style mill, and it was the company's intention to rehabilitate this property and start production.

The outlook for the company is not encouraging. Most of the properties operating in this area have been forced to suspend operations, after failing to find commercial ore in quantities.

If you have an opportunity of disposing of your stock we believe you would be well advised to do so.

Beardmore Gold

Please give me your opinion of the prospects of Beardmore Gold Mines Ltd.

This company's property cannot be considered other than a prospect which has been under development during the past two years. Considerable work has been done without definite results which would enable one to determine its possibilities. It is purely a prospect of uncertain merit.

Early this year it was announced that a 50-ton mill would be erected at once. However, construction has not yet started owing to money not being available. At the present state of development there is nothing to indicate that the property has outstanding merit.

Arrowhead; Sudbury Crater

I would like your opinion of Arrowhead Consolidated Mines, Sudbury Crater Mines and Windfall Mines.

Development operations of Arrowhead Consolidated Mines have revealed some very promising looking ore. An active diamond drilling development programme is under way to determine the extent of this ore, and the result found by this development will determine the value of the shares.

Sudbury Crater Mines is in approximately the same position, with ore giving good values in silver and lead, and they are at present developing to determine the extent of this ore. On Windfall Mines there has been no work done, except preliminary exploration on which some zinc has been traced. This is a pure speculation.

Anglo-Dutch Consolidated Oils

What is Anglo-Dutch Consolidated Oils Ltd. and in what field does the company operate?

Anglo-Dutch Consolidated Oils Ltd. is a consolidation of a number of smaller companies and has a most aggressive exploration programme under way. A report has just been issued on the company's activities, which shows that 15 subsidiary companies have been merged and that Anglo-Dutch is intended to operate as a holding and operating company through these numerous subsidiaries.

Operations have already started in the Monarch field where a derrick has been erected and a site has been selected on the Beaver Dome for another well. Combined holdings cover approximately 100,000 acres of potential oil property in Alberta.

La Reine Mines

Please furnish us with information on La Reine Mines Ltd., its present market value and whether in your opinion the stock stands some chance of appreciation.

La Reine Mines Ltd., was incorporated in 1927 to develop a prospect in Desmeloizes township, Quebec. This was dropped after a test. It then acquired claims adjoining the property of the Thompson-Cadillac and the Sparks claims in Bourlamaque Township, Quebec, and a 25 per cent interest in the Molybdenite Reduction Co. Hollinger acquired an option on this latter company early this spring, but we understand it too has been dropped.

We know of no work being carried on by the company and since all of its properties were mere prospects, no value could be put on the company stock and we know of no market for it. Hector Authier, M.P., Amos, Que., is president and may be able to give additional information to the company's current activities.

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SECOND STANDARD PASSES DIVIDEND PREFERRED STOCK

Outlook for Other Two Diversified Companies Doubtful

From Our Own Correspondent

MONTREAL.—Dividends on the preferred shares of Second Diversified Standard Securities, Ltd., have been deferred. The company was formed in 1929 and hitherto dividends at the rate of 7 per cent have been paid without interruption.

Regular dividends on the preferred shares of the First Diversified and Third Diversified Standard Securities have been paid. The next payments, however, are due in January and December respectively at which time it is stated the disbursements will receive the consideration of directors.

It is pointed out that suspension of the dividend on Second Diversified is due to lower earnings of the majority of oil companies. The company was formed to invest in the securities of the Standard Oil companies or their subsidiaries.

Second Diversified Standard Securities preferred was offered at $45.50 to yield 6.86 per cent. There are 80,000 preferred shares issued of $25 par and 100,000 shares of class "A" common of no par value.

Statement to Shareholders

In a letter to shareholders A. G. Tierney, secretary of the company states:

"World-wide economic conditions have caused the majority of American and Canadian industrial enterprises to experience a period of reduced earnings and in a great many cases companies, even those with large cash surpluses, have reduced or discontinued dividend payments for the time being. In common with other companies, the oils have also been affected as is evident from their earnings and disbursements. The result is that the earnings of your company do not permit of the disbursement of the usual dividend at this time, therefore your directors and management have deemed it advisable to defer the payment of the preference dividend for the quarter ending September 30, 1930.

"We are passing through a period of universal financial unrest and while the situation is only temporary and will right itself, this is a time when good business demands the conservation of the company's assets.

"As the preferred issue which you hold is a 7 per cent cumulative preference stock the dividend for the present quarter, while not paid, is cumulative and therefore constitutes a charge against future earnings.

"The oil industry, which is a basic one, gives promise of being among the first of industries to regain its former enviable position and while the management are confident as regards the future progress of the oil industry and of your company, they have decided that under present conditions the deferring of any dividend disbursement is in the best interests of the shareholders."

Area Mines Has Good Financial Position

The annual report of Area Mines for the year ended December 31, 1929, just forwarded to shareholders, discloses that the company has current assets of $2,661 together with investments carried at $83,436, which have a market value of $43,000. Against these assets are current liabilities of but $9.

Other assets are deferred charges and prepaid taxes, which are carried at $1,044; mining rights, carried at $3,022,524; plant and equipment amounting to $3,581 and development and organization expenses carried at $174,040.

Liabilities, in addition to current, are made up of 2,000,000 shares outstanding at $1 per share, and proceeds of sale of stock donated to the company amounting to $287,277.

The Crown Trust Co. holds 316,496 shares of the company in trust to be sold for the benefit of the company.

Operations for the year consisted of examining three properties taken under option and subsequently dropped, and work on the company's main holdings comprising 1,276 acres in the townships of Duprat, Dufresnoy and Rouyn, all in Quebec. The principal work has been done on the Turcotte claim adjoining Amulet, but all work was suspended in December last year.

Dominion Scottish Dividend

The board of directors of Dominion Scottish Investments Ltd. has declared an interim dividend on preferred stock of the company at the rate of 5 per cent per annum payable November 1, 1930, to shareholders of record October 20. Initial dividend on this stock was paid November 1, 1929, and quarterly payments have been paid regularly since.

Barriers Hamper Trade Within British Empire

Unnecessary Restrictions Should be Removed—Central Clearing House for Trade Information

By HON. FRANK CARREL.
Before Canadian Chamber of Commerce

In answering directly the question, "In what way can Intra-Empire trade be promoted in Canada?" I will say at the outset that co-operation of industrial interests with all other units of the Empire, to better know and study each others' problems, is the first step. The next is to obtain knowledge of similar conditions in countries outside of the Empire.

To reach such a position it is necessary, first that the Empire set up a permanent agency or secretariat, call it what you will, which would act as a clearing house, where for the first time in the history of the Empire our exporters would be at home, and be able to seek advice and counsel in entering new fields in the expansion of foreign trade markets.

In the development of such an organization as I have mentioned, Canada, with every other exporting nation in our Commonwealth, will benefit. With our vast undeveloped natural resources, we would probably be in a position to enjoy even greater benefits from such a storehouse of world trade information than many other countries; and our progress and prosperity would benefit the whole as a natural sequence of unity of interests.

Business Press Endorses Plan

The business newspapers and the press generally throughout Canada and other parts of the Empire have wholeheartedly endorsed this plan.

All nations who are competing with us in the world's markets appear to be more united and better informed on trade conditions of the world than the British Empire as a whole, yet how simple it should be for us to get together to make up for lost time.

Even Russia, notwithstanding its chaotic conditions, surprised me during my research on the Soviet pulpwood situation by its knowledge of the world's supply and demand on this subject. Here is what a Soviet representative in Montreal wrote me as far back as 1925: "In our opinion the importation of pulp wood into the United States from the Soviet Union is not improbable. In point of fact such exports to various European continental countries have been steadily increasing, with a prospect of further development.

"At the moment, we are not in a position to offer any definite plan of procedure. From recent reports covering surveys of the world situation of this commodity, made by Soviet Union Trade Delegations in Europe, the conclusion is clear that the Soviet Union is in as favorable a position to supply this commodity as any of the foremost producers, not excluding Canada.

"Due to the tariff developments of Canadian pulp wood exports, it may be an entirely workable suggestion and we are writing abroad to obtain complete data as to available export surplus, prices and deliveries. Indications are that this industry is being developed at a very fast pace and that considerable business may be negotiated, particularly in view of the above mentioned new developments in the tariff situation."

The object of my research work was, first of all, to secure the concessions and rights of this export trade, which according to my findings were in favor of Russia, for British and Canadian interests, in the event of Canada's supply running short. I am very glad to state that the British have acquired this option, according to recent press despatches.

A very odd thing, in this work, which I have been engaged in for the past six years, was the fact that many Canadian authorities were quite sceptical of my predictions, all of which, however, have materialized as seen by the many cargoes of Russian pulpwood sold on this continent this year.

It was surprising how incredulous were our own people; and yet the work of research was a simple affair, and proved its value, in my being able to keep the government and other interests fully informed on the subject.

If I were asked today what is the most essential and most important work before the members of the Canadian Chamber of Commerce, work calculated to assist intra-Empire trade and Canada in particular, I would say that it consists of urging upon every member to have the courage of his convictions and express fearlessly and frankly his ideas and experiences on this subject. I would also urge them to see that such opinions were ventilated through the trade and technical papers and the newspapers, or, by private correspondence, so that the Empire might be aroused to support:

(1) The necessity of a permanent central clearing house for economic research and commercial information on international trade conditions together with best means, through education, of getting our share of the world markets.

(2) The necessity of decreasing our purchase of foreign goods.

(3) The necessity of supplying a superior quality of goods, with continuity of supply, improved salesmanship and wider advertising.

In doing this we will more readily and effectively remove the irritating barriers from the path of our progress and success.

Barriers to Trade

Legislative measures are not so immediately important to the increase of trade within the Empire as the removal of the hundred and one irritating barriers now retarding this trade.

Perhaps a few cases of what I mean by "irritating barriers" may serve to illustrate this reference. They include:

The prohibition of Canada's leading sardine canning establishment, the largest in the British Empire, from selling its products in the United Kingdom, while they are sold in over one hundred countries in the world;

The sale of British motor cars in Canada which are made in the United States;

The persistent resistance of the British manufacturer to the establishment of branch factories, a weakness taken advantage of by foreigners who now possess over 1,000 branch industries in Canada;

The investment of British capital in foreign industries in competition with our own world traders;

The indifference of British manufacturers to the establishment of branch factories within the borders of our rich neighbors, the United States;

Failure to take full commercial advantage of the prevailing British sentiment in the overseas dominions through lack of knowledge of our buying conditions;

The placing of Canadian agencies for British goods in foreign countries, or, with foreigners;

The entering into cartels and assigning Canada to foreign sales agents, etc.

These are only a few of the many barriers against increasing trade within the Empire.

The elimination, through a permanent Empire organization, of the many irritating barriers now retarding trade within the Empire, and the adoption of improvements of modern methods of marketing, selling and advertising, the lack of which are responsible for much of our loss of trade in the world's markets, are the only true and practical ways and means of holding and increasing our export trade.

In case you think that Empire industry alone is suffering from the disease of old age and antiquated methods of doing business in competition with other nations, more up to date, let me give you only one example, an example affecting Canada's leading industry, pulp and paper, with reference, however, to American mills.

R. S. Kellogg, secretary of the Newsprint Service Bureau, has shown the necessity of putting that industry on a more workmanlike basis. Here are some of the inconsistencies noted by him in the manufacture of pulp and paper:

In their barking operations two mills handle approximately the same quantity of wood. One uses 2.9 men per 8 hour shift for each 100 cords of wood barked and the other uses 9.6 men for the same results or 3.3 the number of men in the other mill.

Two mills slash approximately the same quantity of wood in 8 hours. One uses 3.2 men and the other 8.1 men for 8 hours for each 100 cords slashed; that is, one mill uses 2½ times the number of men there are in another mill to do the same amount of work.

The foregoing disparity of costs in several of America's pulp and paper plants brings home the heavy handicap of an antiquated plant in seeking orders alongside of an up-to-date concern.

It is in our own interest to stimulate and aid trade within the Empire. In making one another rich and prosperous every unit of the Empire benefits.

It is commercial war of the keenest kind with the greatest inventive and scientific brains pitted against us.

We must possess and cultivate the same resistant power and education to survive.

As a young nation, with the aid of our neighbors, we, in Canada are holding our own, but we would be much stronger, if, as an Empire, we were all working together, with a central bureau at which we could thrash out many of the Empire's perplexing problems, and with the aid of information circulated among business leaders by the business press.

The central secretariat I hope to see established as the outcome of the Imperial Conference, now meeting in London.

Ontario Silknit Maintains Volume

Ontario Silknit, which carries on Canadian operations in its three buildings at 590 King St. West, is still maintaining production above the levels of 1929. In the first nine months of the year it is understood that the totals for only one month fell below the corresponding month in 1929.

Profits have been affected by the decline in values of raw materials used by the company and consequent write-offs in inventory. The company manufactures rayon products, lingerie, dresses, piece goods for domestic and foreign trade. It has subsidiaries in Australia and in Mexico. Though prices in many lines are 30 per cent under those of a year ago, the increase in sales volume has permitted the favorable comparison with last year.

Tape Readings

A Banker's View

"Either our good stocks are all right or nothing is right," was the opinion of the general manager of one of the biggest banks when asked for a comment on the stock market when Nickel, Brazilian, Imperial and International Pete, as well as a dozen of lesser stocks were collapsing to new lows.

More Buying Than Selling

A Toronto broker who is not complaining of lack of business is renewing acquaintance with clients whom he has not seen in years. They are the real investors, who buy stock to keep, and who only partially took advantage of their opportunities eleven months ago.

"Moreover," said this broker, "we have had very little selling to protect accounts. "Margin calls have been answered promptly, often with more cash or security than has been necessary."

Canada Bread

There is favorable comment on Canada Bread. Low cost flour and cheaper materials generally, it is said, will enable the company to show a substantially improved position in the present fiscal year, although bread prices are down somewhat and may go lower. The stock currently is at 8½.

Cockshutt and Massey

With Cockshutt Plow at 15, Massey-Harris for the first time has sold below it. Cockshutt has the advantage in that the common stock is the only capital charge, while Massey has both bonds and preferred. The official statement with regard to Massey-Harris aroused little comment because of the feeling that, in a general way, the information was not new, although, of course, some sort of official explanation was required because of the passing of the dividend.

Bidgood Announces Refinancing Plans

Shareholders of Bidgood Consolidated Mines, owning a property in the Kirkland Lake area, are in receipt of an official announcement calling a special general meeting of shareholders for October 25, 1930.

The meeting is called to consider and ratify a change of the company's capitalization from $6,000,000 in $1 par value shares to 3,500,000 shares of no par value. Shareholders will be asked to approve of an exchange of the old shares for ones of the new on a five to one basis, leaving 2,300,000 new shares for further financing.

The unissued shares of the present capitalization are to be sold to the company's president, Leo. Erenhous, and his associates, at current market prices in exchange for advances made to the company.

Early in the current year, the company's finances became exhausted and operations were suspended the latter part of February, and present reorganization is with a view to enabling operations to be resumed as soon as possible.

Algoma Steel Has Orders for 25,000 Tons of Rails

From Our Own Correspondent

MONTREAL.—Algoma Steel Corp. has received orders for about 25,000 tons of rails, including an order from Pere Marquette for 3,600 tons, in the past few weeks. Orders have been comparatively small, ranging from 3,000 to 9,000 tons and will be rolled on the old mill.

Further good buying is in prospect following the announcement of the Canadian railways' intention to lay new trackage in the near future. The company's rail mills are being remodelled to enable them to produce 130 pound rails.

It is pointed out, however, that no new business will be lost through this rehabilitation.

Goodyear Not Affected by G. M. Buying Plans

Goodyear Tire & Rubber Co. of Canada is not affected by the arrangement in the United States whereby the contract for General Motors tires has been switched to United States Rubber Co. from Goodyear's (United States Company).

The Dominion Rubber Co. is a subsidiary of United States Rubber Co., and holders of stock in this country feared that a similar switch had been made in Canada. That the Canadian company had lost the General Motors business in Canada is, however, denied by a Goodyear Tire official and there is apparently no reason to fear that such a switch will be made.

Metal Prices

New York—October 14—
Copper: Electrolytic spot, 10c. lb.
London—October 14—
(Long tons)—
Copper: Electrolytic spot, £46, 5s; future, £47, 5s.
Standard spot, £42, 2s, 6d; future, £42, 2s, 6d.
Tin: Spot, £107, 15s; future, £109, 5s.
Lead: Spot, £15, 7s. 6d; future, £15, 5s.
Zinc: Spot, £14, 2s, 6d; future, £14 12s, 6d.
Silver: 16 13-16d per ounce.

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THE STOCK MARKET AND THE TARIFF

HOW Canada's new tariff policy should affect security prices is one of the phases of the tariff situation discussed in our October Market Letter.

The question of Canadian tariff reform is taken up at length in this number. A copy will be sent on request.

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Western Grain Report Shows Drop in Earnings

Company Retains Strong Liquid Position After Paying Unearned Dividends and Interest on Bonds Partially Earned—Prospects Are Brighter

Western Grain Co. presents a report for the year ending July 31, 1930, which shows the company's liquid position so strong that it has been able to pay preferred and common dividends which were not earned and bond interest which was only partially earned. The position, after making all these expenditures, is still very strong, the current assets showing a total of $2,632,254 and current liabilities $1,774,055, leaving working capital of $858,199.

The complete reversal in earnings position of most grain companies in the year under review, as compared with the previous year, is well illustrated in the following statement of income and surplus of Western Grain Co.

Income and Surplus Accounts
(Years Ended July 31)

	1930	1929
Net earnings*	$77,455	$811,707
Bond interest	180,000	105,000
Depreciation	(b)	175,497
Profit for year	‡102,545	531,210
Pref. dividends	130,000	65,000
Surplus for year	‡232,545	446,210
Income tax	44.716	......
Surplus for year	‡277,261	466,210
Surplus brot. for'd	466,210	......
Surplus carried for'd	188,949	466,210
Times bond int. earned†	.43	7.73
Preferred: Earned	0	26.56
Paid	6.50	3.25
Common: Earned	0	2.33
Paid	0	0

*After all operating expenses.
‡Deficit.
†Before depreciation.
(b) None written off this year.

Owes Nothing to Banks

C. G. Spencer, president, explains the situation under date of October 4 in his letter to shareholders by saying that it is due to the very short crop in 1929 and the fact that consequently the company was called on to handle an abnormally small amount of grain. The company, he states has expended out of current income sufficient amounts to maintain the company's property at a high state of operating efficiency. Full depreciation has been written off automobiles and office equipment but depreciation on fixed assets has not been written off owing to the abnormal conditions. He reports prospects for the present year considerably more favorable than for the year just past.

The working capital position is encouraging in view of the fact that it shows the company without any bank loan and with a credit balance of $64,000 in cash and in the banks. Inventories are very large but the principal item consists of $2,092,658 for grain. Included in the current assets referred to are also items of $240,633 covering memberships and investments and $142,000 loaned to and investments in a wholly owned subsidiary. Notes and accounts receivable are $59,808. Stored grain liability, less charges and advances against, is shown at $1,615,501.

Premier Mines Drops Its Option on Planet

Advice from Vancouver states that the option on the property of Planet Mines & Reduction Co. of Nicola, taken by Premier Gold Mining Co. has been dropped owing to the potential ore available being smaller than was expected.

The option was for 30 days, which has not yet expired. A meeting of Planet shareholders was called for October 8, to ratify the terms of this option, but apparently this was made unnecessary by Premier's action.

Ont. Gold Production Shows Gain for Period

Quarterly Report by Ontario Mines Department Shows Kirkland Lake District Lead Porcupine Last Three Months

For the nine months of the calendar year ending with Sept. 30 the crude bullion produced by gold mines of this province had a total value of $26,213,324, which is an increase of $1,486,626 over the output of $24,726,698 for the corresponding period of last year, according to the September bulletin of the Ontario Department of Mines. During the nine months under review ore milled aggregated 2,823,871 tons, compared with 3,012,720 tons for the three quarters of 1929. The latter figures indicate that average ore values for the current year are running somewhat higher than those of last year.

Production for the month of September at $2,925,589 was derived from 322,899 tons milled, as compared with $2,721,563 from 330,580 tons milled in August. In September, 1929, 342,297 tons of ore were milled, with bullion production valued at $2,702,334.

With no change reported in producing mines for September, the Kirkland Lake district, with production of $1,451,358, had an edge over the $1,416,573 reported for the Porcupine district.

MONTHLY OUTPUT OF ONTARIO GOLD MINES
(Gold and Silver Values)

Source and period	1929 Tons Milled	1929 Total Value Crude Bullion	1930 Tons Milled	1930 Total Value Crude Bullion
Porcupine—				
Calendar year	2,865,261	$19,373,240	......	......
Average per month	238,772	1,614,437	......	......
January	247,765	1,604,861	210,554	$1,460,600
February	222,465	1,465,684	187,626	1,313,661
March	247,169	1,587,601	209,128	1,464,947
April	241,656	1,498,671	205,810	1,561,923
May	245,349	1,687,477	210,533	1,545,110
June	232,231	1,529,598	205,164	1,347,182
July	258,011	1,549,104	208,512	1,467,220
August	252,509	1,736,523	211,547	1,260,860
September	248,637	1,564,582	207,412	1,416,573
Kirkland Lake—				
Calendar year	1,106,499	14,089,233	......	......
Average per month	92,208	1,174,103	......	......
January	89,227	1,058,413	101,443	1,281,888
February	89,416	1,151,710	96,096	1,296,246
March	96,608	1,196,959	100,075	1,487,216
April	91,554	1,200,166	95,064	1,398,520
May	91,046	1,157,028	99,261	1,349,969
June	86,497	1,358,690	99,868	1,552,921
July	89,103	1,165,124	101,917	1,365,743
August	89,817	1,063,999	102,589	1,397,780
September	93,660	1,120,096	102,227	1,451,358
Total for calendar year	3,972,842	33,485,567	......	......
Average for month	331,070	2,790,464	......	......
Total for January	336,992	2,663,274	311,997	2,742,488
Total for February	311,881	2,675,394	283,722	2,609,907
Total for March	343,777	2,784,560	309,303	2,952,163
Total for April	333,210	2,698,837	307,556	2,977,296
Total for May	336,395	2,853,704	317,789	2,933,906
Total for June	318,728	2,888,288	315,032	2,952,110
Total for July	347,114	2,717,626	324,993	2,888,302
Total for August	342,326	2,802,681	330,580	2,721,563
Total for September	342,297	2,702,334	322,899	2,925,589
Total (nine months)	*3,012,720	24,726,698	2,823,871	26,213,324

*Includes miscellaneous group of Northwestern Ontario.

Oil Companies to Watch Imperial Oil Tire Plan

Imperial Oil's announcement of far-reaching plans to sell tires and tubes throughout its service stations in Canada and through dealers selling gasoline has aroused great interest among other large oil companies.

Considerable attention is understood to have been given to the idea already by British American Oil but it is probable that the Imperial Oil enterprise in this direction will be watched for a time by this and other companies before being followed.

Bank of Toronto Pays Usual Quarterly Bonus

Bank of Toronto has declared the regular dividend of 3 per cent, payable on December 1 to shareholders of record November 15. In keeping with the usual practice, the bank also is paying at this time a bonus of 1 per cent to shareholders of record November 15.

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MOTORISTS be CAREFUL!

The season for wet, slippery pavements is here and demands that special care be exercised by all drivers of motor vehicles.

DRIVE CAREFULLY . . . and read carefully *every word of this advertisement*

THE Highway Safety Committee has been urging motorists during the year to exercise CARE, COURTESY and COMMON SENSE in the operation of their vehicles. The Committee appreciates the whole-hearted support its efforts have received from every source. We have had the best of co-operation from the Advisory Committee, which is composed of some of the leading citizens of the Province, from the press, from motorists and from pedestrians and, as a result, driving conditions have improved. Let us continue to be traffic conscious and at all times CAREFUL and COURTEOUS when driving.

Severe penalties are provided in our motor vehicle laws for those who are careless or inconsiderate of the rights of other users of the highway.

The Financial Responsibility Law which became effective on September 1st provides that the driver's license and *all* motor vehicle permits of a person convicted of any one of the following offences *shall be suspended* until proof of financial responsibility in the form of a certificate of an insurance company, a bond or securities is filed with the Registrar of Motor Vehicles.

READ CAREFULLY

Driving without holding a chauffeur's or operator's license.

Reckless or negligent driving or exceeding the allowable speed limits if any injury to persons or property occurs.

Driving, or being in charge of a motor vehicle, while intoxicated, or any other criminal offence involving the use of a motor vehicle.

Evading responsibility following an accident.

Operating a motor vehicle in a race or on a bet or wager.

Chauffeurs, operators and owners of motor vehicles are warned that the provisions of this law *must* be applied in every case.

ACCIDENT REPORTING

The law now requires every person directly or indirectly involved in a motor vehicle accident, if the accident results in *any personal injuries or property damage apparently exceeding fifty dollars,* to report such accident to the nearest police officer. A penalty is provided for failure to so report.

Remember your Personal Responsibility whenever driving a motor vehicle or you may be required to prove your Financial Responsibility.

Highway Safety Committee

The HON. GEO. S. HENRY, *Chairman*

Secure a copy of the Highway Traffic Act.
Write:—Motor Vehicles Branch, Parliament Buildings, Toronto.

NEW DIVIDEND ON BRAZILIAN PAID IN STOCK

Until Milreis Stable Company Holds Cash to Meet Foreign Payments

PAYMENT IS 2%

Portion of Revenue Received in Gold Basis is Ample For Interest Requirements

Conservation of resources by omitting cash dividends, and giving shareholders a greater stake in future prosperity of the company by paying stock dividends, are the twin policies adopted by the directors of Brazilian Traction Light & Power Co. at their meeting October 13 to hold until the situation created by the Civil war has been cleared up. The first stock dividend, payable December 1, is of one share for every fifty shares held as of October 31, and if this dividend is continued quarterly until the Brazilian political and economic situation is expressed in a stable exchange value for the milreis, it is at the rate of 8 per cent of stock a year. Holders of share warrants to bearer will participate in the stock dividend on surrender of one of the numbered coupons attached to their warrants when instructions are issued by advertisement.

The number of shares outstanding will be increased to 6,485,505 shares when this stock dividend is paid. At the end of 1929 the common shares outstanding numbered 6,295,385 shares but a stock dividend of 1 per cent in addition to the quarterly cash dividends of 50 cents a share early in 1930 raised the number outstanding to 6,358,339 shares.

Great War Stopped Dividends

The present stock dividend policy differs radically from the action taken by the company during the Great War when dividends were passed from 1917 to the end of 1921 as a result of depreciation of the milreis which made payment of dividends in dollars a most uneconomical procedure. Rather than send the money at a great loss to shareholders the company pursued the policy of turning the money back into the property, improving its public utilities and expanding its operations materially.

The company in the later hey-day of dividend disbursements from early in 1922 to the present was really reaping handsomely from that dividend money turned back into the business for more than four years. On this occasion the money will be conserved but shareholders are given a tangible security representing the cash retained and possibly invested by the company. At market valuations on October 13, the date when the dividend was declared, this stock would be worth about 43 cents a share compared with 50 cents, the usual cash distribution. If present disturbances end favorably for the company and the stock recovers to 36 where it stood less than a fortnight ago, the stock dividend becomes worth 72 cents a share. People who believe that the company will be as strong as ever at the end of these troubles and that the milreis will not suffer unduly can have still rosier hopes.

Meeting Interest in Foreign Money

Through all this period from 1912 to date in spite of war, three major coffee crises and great exchange difficulties at times the company has paid dividends on the 6 per cent preferred stock. Instead of $10,000,000 issued stock there was at the end of 1929 about $417,500 as a result of conversion into common stock. The company, therefore, does not have to make much disbursement to keep up that dividend. The company has, however, to maintain interest and sinking fund payments on nearly $60,000,000 in bonds in foreign currencies. Fortunately, it has provided against such contingencies by making contracts for delivery of power increasingly payable on the gold basis of the milreis.

Important parts of its revenues can therefore be sent out of Brazil without cost to it as a result of depreciation in exchange. Just how much is thus available is not known but an estimate made some months ago named 50 per cent as the probable proportion. Bond interest and other charges in 1929 took up $3,787,334 and purchase of foreign materials for the company's plants an unknown amount. Total revenues before bond interest, depreciation and sinking fund reserves amounted to $28,334,959 so that the position of the company has great strength from an operation standpoint. This did not prevent market valuations of these bonds sliding off in New York, London, Brussels and Paris just as did bonds of all South American Governments because of the Brazilian rebellion.

Operating costs of the company in 1929 exceeded $21,000,000 and that expenditure in Brazil is an important thing for any government to protect. It is at this distance by no means certain that victory for the insurgents would mean trouble for Brazilian Traction but in time of civil war weak holders of such a stock naturally fly to the tall timbers. The stock stood up quite well in spite of that influence but it is possible that the heavy holdings of Prince & Whitely, the 58-year-old New York Stock Exchange firm which failed in New York last week, had some effect. They dealt heavily with London in this stock. It touched 20¾ this week.

Thunder Bay Paper Mill Closed Awaiting Orders

The newsprint mill of Thunder Bay Paper Co. near Port Arthur, Ont., is currently reported as being closed down. The company is owned jointly by Abitibi Power & Paper Co. and Canada Power & Paper, having been acquired in December, 1928. The mill was closed down from November, 1929, until May, 1930, when one machine was placed in operation. It is stated that the mill will be re-opened if sufficient orders are received.

The plant has a daily rated capacity of 246 tons of newsprint from two machines. A 90-ton groundwood pulp mill is also owned at Current River which supplies the newsprint mill with part of its ground wood requirements.

Alberta Wheat Pool Rents Island Elevator

It is announced by officials that the Alberta Wheat Pool has leased the Victoria grain elevator for a period of one year, and grain will commence to move to the island terminal from the mainland within a week. Grain ships will be loading there within a fortnight.

The Victoria plant has a storage capacity of 1,000,000 bushels, and the grain available to it is that which is grown in Canadian National Railways territory on the prairies. All grain handled through the house, therefore, will be from the Canadian National Railways and will be taken to the plant by car barges from Fraser River or Vancouver.

IMPERIAL OIL NOW ENTERING TIRE BUSINESS

Will Market Atlas Tires and Tubes Throughout Canada

To extend further its service to motorists and to dealers in petroleum products Imperial Oil, Limited, has decided to engage in the tire business as wholesalers and retailers of Atlas tires and tubes, according to an announcement made on October 14 by C. O. Stillman, president. Stocks of tires and tubes will be established in Ontario service stations in October and as soon as possible will be made available to garages, to dealers, and to service stations elsewhere in Canada. It is intended that by the spring of 1931 Atlas tires and tubes will be offered for sale in practically every city and town in Canada.

Concentrating Motor Car Service

Marketing of tires through Imperial Oil service stations and dealers is regarded by the company as a logical step in the development of outlets for gasoline and oil which have become the base of operations for motoring. The decision of the company to market tires will extend greatly the service available at many of such outlets. By increasing the volume of business done at these points it is hoped to reduce the heavy overhead costs which have resulted from the keen competition for gallonage whereby the investment in outlets has increased out of all proportion to the investment in Canadian refinery equipment.

Gives Unique Guarantee

"Atlas tires and tubes will be made in Canada by experienced manufacturers and will be products of first line quality offered at attractive prices," says the announcement. "The tires will be guaranteed by Imperial Oil, Limited. The guarantee is considered unique. It protects the purchaser against all road hazards such as breakdowns through accident, blow-outs, cuts, rim cuts, damage caused by under inflation, by wheels out of alignment, by faulty brakes, etc. Only in the case of tires ruined by running on the flat does the guarantee not stand. In the event of breakdown tires will be repaired free of charge or, if beyond repair, a new tire will be given to the purchaser for which he will be required to pay one-twelfth of the retail cost for each month during which the damaged tire was in operation. The guarantee is for a period of one year from date of sale for passenger car service. For commercial service the guarantee is for a six-month period and in the event of replacement the purchaser pays one-sixth of the retail price for each month during which the tire was in service. Punctures, which are not damages to casings but to inner tubes, are not covered by the guarantee."

INT. PETROLEUM SHIPMENTS SHOW GAIN DURING 1930

Production in Colombia Accounts for Increase—Peru is Down

Shipments of crude made by International Petroleum from Peru and Colombia during the past eight months show an increase of 306,436 bbls. over the corresponding period of 1929 with production showing a decrease of 237,092 bbls. Colombia shipments have increased by 512,278 bbls., and production by 116,431 bbls., while Peruvian shipments have declined 205,842 bbls., and production, curtailed since July, by 353,532 bbls.

Completion of new wells shows less activity in Peru with 82 producing wells completed from January to August, 1930, as against 116 wells in the same period of 1929. Average initial production however, is placed at 423 bbls. in 1930 and 157 bbls. in 1929. In Colombia 82 wells have been completed, an increase of six over the same period in 1929, but average initial production has dropped from 761 bbls. to 644 bbls.

Production in Peru during August amounted to 766,249 bbls., the lowest since May in which there was a peak production for 1930 of 905,520 bbls. Colombian production in August was 1,747,202 bbls. slightly below the 1,761,820 bbls. produced in July and comparing with the peak for the year to date of 1,778,210 bbls. produced in March.

Summary of August operations in Colombia and Peru in 1930 and 1929 with totals for the first eight months in each year is as follows:

Summary of Operations—August, 1930

	Peru bbls.	Colombia bbls.
No of wells completed	9	9
Av. initial prod.	537	401
Total crude prod.	766,249	1,747,202
Total crude shipmts...	341,271	1,475,162
Av. daily prod. in Sept.	x25,037	54,631

Peru—Comparison of Eight Months of 1930 with Eight Months of 1929

	1930	1929
No. producing wells completed	82	116
Av. initial production..	423	157
Total crude prod.	6,755,962	7,109,485
Total crude shipments.	3,202,415	3,408,257

Colombia—Comparison of Eight Months of 1930 with Eight Months of 1929

	1930	1929
No. of producing wells completed	82	76
Av. initial production..	644	761
Total crude production	13,592,550	13,476,119
Total crude shipments.	12,745,101	12,232,823

x—Curtailment of Peruvian production initiated in July is continued.

LANDED BANKING LIKELY TO STAY HAMILTON'S OWN

F. S. Scott, President, Knows of No Absorption Negotiations

A report that the Landed Banking & Loan Co., Hamilton, had been sold to Canada Permanent Mortgage Corp. has been denied by W. G. Gooderham, president of the Canada Permanent, and by F. S. Scott, F.C.A., president of Landed Banking.

Mr. Scott informed The Financial Post on October 14 that so far as he knew there have been no negotiations which might lead to the absorption of Landed Banking by any other company. Mr. Scott added that Landed Banking is now the only purely Hamilton financial institution and suggested that there would be sentimental objections to its acquisition by any other than Hamilton interests.

Landed Banking & Loan Co. has had a long and successful history. Its loans are in Hamilton and the Niagara district and in Manitoba.

October Payment Better

So far in the present year, Landed Banking has had no more unsatisfactory experience than in 1929, when $10.58 profits were reported on the shares of $100 par value, on which dividends of 10 per cent have been paid regularly since 1925. October payments of interest and principal have been slightly better than last year, it is understood, and while a certain number of foreclosures have been necessary in the past year, it is said that there has been no serious increase in the amount of real estate held for sale.

The company has paid dividends regularly since 1894, the present rate of 10 per cent having been established in 1926. Meanwhile, the reserve fund has been gradually increased to $1,000,000, compared with a paid-up capital of $1,000,000. There is, in addition, a special contingent reserve of $80,000 as well as the surplus of $21,099 as at December 31, 1929.

The company is conservatively operated and it is understood that profits as shown are after all probable losses have been provided for. The real estate held for sale as the result of foreclosures has varied from year to year but the figure of $207,770 at the end of 1929, was less by some $22,000 than this asset at the end of 1928.

Directors of Landed Banking are all residents of Hamilton: C. S. Scott, F.C.A., Paul J. Myler, Alan V. Young, Charles Mills, Ralph R. Bruce and Senator George Lynch-Staunton. Officers besides Mr. Scott are Mr. Myler, vice-president and H. M. Patterson, manager.

DUNNING AWAITS FAVORABLE TIME TO ENTER HOUSE

Is Coming Back, But Assault on Seat is Delayed

From Our Own Correspondent

OTTAWA. — With the announcement that Hon. Charles Dunning, former minister of finance, has accepted the vice-presidency of an Ontario life insurance company, all doubt as to his future as a public man is dissipated. Mr. Dunning will return to parliament as soon as he can find a seat with safety and he should be present on the front bench of the opposition before the next session of parliament concludes.

The announcement of his directorship is important because he had to choose one of two courses—either to accept part time employment, leaving himself free to continue in public life, or to take a full time executive position in the business world and retire from politics. The acceptance of a seat on a life insurance directorate means that he has chosen the former course.

Not Coming Back Now

His immediate return to public life, however, is not considered probable. To open a constituency at this time might easily expose him to defeat and make more difficult his eventual return to parliament. There seems to have been some commerce between the leaders of the two major parties in this regard and it is believed that the Conservative party takes the view that Mr. Dunning's re-entry into parliament should not be facilitated. In other words, if he attempts to find a seat the government will oppose him and use the power at their disposal to make his election as difficult as possible. The power of a government in matters of by-elections is very great. Should Mr. Dunning open a seat by the resignation of a Liberal member, there is nothing to prevent the government from delaying the by-election six months and building up a strong political organization to elect their man. Obviously Mr. Dunning would be at a great disadvantage in a prolonged contest of this kind.

Jockey For Position

The Liberal party is much more likely to wait until there are by-elections pending in Conservative seats—brought on by cabinet re-organization or retirement of sitting members—and then to open a seat for Mr. Dunning. Under these circumstances the government could scarcely call one by-election and not another and there would be the best chance of an immediate contest and a quick decision.

Jockeying for political advantage in these matters has always gone on. Every government, Liberal or Conservative, uses control of election machinery for party advantage—the Mackenzie King government never overlooked a bet of this kind.

There have been rumors that Mr. Dunning, upon re-election, will become the national organizer of the Liberal party. These rumors are discounted by prominent Liberals here who believe Mr. Dunning would not consider such an appointment. He may become chairman of a Liberal Board of Strategy, fashioned along the lines of the Meighen creation of 1926.

The constituency which will be opened for him will be either Yorkton or Humboldt, with the probabilities in favor of the latter.

Asbestos Shipments to Japan

The market in Japan for asbestos in lump, powder and fibre, as well as in packing and other forms, is increasing year by year owing to the expansion of industrial plants using this material, and to the great variety of uses to which asbestos products are being put in every-day life.

Ferguson Studies London Markets

From Our Own Correspondent

LONDON. — While in Great Britain, Premier G. Howard Ferguson of Ontario has been conferring with British bankers regarding the flotation of Province of Ontario bonds in the British market. The premier hopes to be able to find in London funds that have been coming largely from the American market and if he can get suitable terms will make some of his early loans in Britain.

Hamilton Bridge Awarded Contract in Brockville

From Our Own Correspondent

MONTREAL.—Hamilton Bridge Co. has obtained a contract for structural steel work in connection with construction of an addition to the plant of Eugene F. Phillips Electrical Works at Brockville. The contract is said to involve about $50,000.

Shares of Hamilton Bridge have remained fairly stable around 20 for the past week. It is understood that a normal condition obtains in the company's plants with about three months work on hand.

CANADA WIRE STARTS PLANT CONSTRUCTION

Excavation Begun at Site of New Montreal East Factory

From Our Own Correspondent

MONTREAL. — Canada Wire and Cable Co. has begun excavation work for its rod mill and wire drawing plant in Montreal East, adjacent to the refinery of Canadian Copper Refineries, Ltd. The company is expected to benefit substantially from completion of its Montreal plant. With its source of copper supply practically next door, there will be a considerable saving in freight charges.

The company presently owns or controls two modern wire plants in Leaside and Hamilton. Output comprises all types of copper wire and cable, from the finest of enamel wire to the heaviest underground and aerial cables, together with steel wire rope and cable.

In August, 1930, Noranda Mines, acquired a substantial share interest in Canada Wire and Cable Co., and arrangements were made to erect a plant in Montreal East adjacent to the copper refinery being erected by Canadian Copper Refineries, a subsidiary of Noranda.

Business Shows Gains

Business of the company for the first six months of the year was ahead of 1929. This was due to the large amount of construction and hydro-electric work undertaken throughout the country. Through its connection with the Nesbitt-Thomson group of public utilities, the company is in a favorable position to secure contracts on a substantial amount of new business.

During 1929, Canada Wire reported substantial earnings on its capital stock. Profits available on the preferred amounted to $29.52 a share; on the $45,000 class "A" stock, $15.35 a share; and on class "B" stock, $5.67 a share.

N. B. Telephone Co. Seeks Wider Stock Distribution

From Our Own Correspondent

MONTREAL.—New Brunswick Telephone Co. is seeking a wider distribution of its stock throughout New Brunswick and has devised a plan whereby about 20,000 shares of its stock will be distributed, in blocks of 50 each, to citizens of New Brunswick who are customers of the company but not shareholders.

Shareholders were recently offered the right to subscribe to new stock at the par value of $10 a share in the ratio of one new share for each ten held.

Today there are about 3,000 names on the company's books as shareholders. The new issue of stock is being offered at the prevailing market price and is being distributed with the co-operation of local brokerage companies and the Maritime Trust Company.

What Will be Next Year's Market Leaders?

The foundations are now being laid for a major upward movement in business and securities. In order to profit most by returning prosperity, securities of companies should be selected with a favorable outlook for next year. The Financial World will help you select wisely.

To acquaint you with The Financial World's value to investors, we offer you free our recent much-talked-of article "Leaders of the Next Rising Market;" our October 22nd issue also included free if you return this "ad" with your address. (We sell no securities).

THE FINANCIAL WORLD
America's Investment Weekly—Founded 1902
LOUIS GUENTHER, *Publisher.*
53 Park Place New York

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THIRD SECTION

Featuring The Borden Company's Investment in Canada

THE FINANCIAL POST

THIRD SECTION

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Borden's Canadian Investment Helps Dairying Industry

These representative scenes in the dairy industry are typical of Borden activities in Canada. The panorama of milk wagons was posed by the fleet of Hamilton Dairies Ltd. The facade of City Dairy's building is supplemented by a more comprehensive view of the plant on another page. The interior scene illustrates Chateau Cheese. Dairy companies have been leaders in the improvement of herds and this fine group of Holsteins is owned by Ottawa Dairy, which likewise is the proud possessor of the six-horse team. The dainty sandwich is made from sliced chicken as packed by Halls Ltd. The lower left picture is the model plant of Canadian Milk Products Ltd. at Tillsonburg, Ont.

Old Organizations Are Not Disturbed By Borden Advent

Successful Companies Continue in Manner in Which They Builded

IS PARTNER OF FARMER

Broad Interests Enable Excess Supplies of Raw Material in One Area to be Used Elsewhere to Advantage

One of the secrets of success of The Borden Company since it began its present programme of expansion four years ago is that the organizations of constituent units have not been disturbed. Borden purchases are purchases of successful companies. Executives who have made these companies are asked to remain. One reason is that no growing organization such as Borden has sufficient executives of its own to take on additional responsibilities, possibly in fields with which they would not be familiar. The problem in any growing company is to obtain personnel of high calibre. So The Borden Company takes over as many employees as will come and in numerous instances executives of constituent companies have been promoted within the Borden organization.

Thus no executive who knows his job, no employee who does his work well, has reason to fear because his company goes into the Borden family. Competent men in both topmost and lowliest positions always are valued as well as valuable and no corporation which is always growing—and The Borden Company is ever expanding—would create insuperable problems by attempting to build personnel anew.

Successful Policies All Retained

Policies of constituent companies which have proven successful over the years are not altered. Trade names are retained. Merit always is given a high appraisal. Goodwill is never thrown away.

It would be comparatively easy to build a dairy plant and buy horses and wagons and motor trucks. But plant and equipment are not a dairy business. An effective personnel distributing first-class products build goodwill gradually. Goodwill cannot be created overnight and The Borden Company in its purchases of companies is careful to maintain the quality of the products and the personnel which has created the goodwill, which is the most valuable asset of any company in any line of business, but which is so vital in the dairy business where the unit of sale is so small and the friendly contact must be maintained between the salesman and the consumer.

In hundreds of instances, goods produced by companies under Borden control are not sold under Borden names. The only insistence is on the high quality and good service which together build business. A trade name localized in Los Angeles would be unknown to the average Ottawa housewife. A method of distribution in Chicago would not suit in Montreal. A product which is in demand in Toronto may not have any market in Philadelphia.

So each business goes on its own way; its executives are responsible for its continued progress along lines on which it was built up.

Why Accounting is Standardized

In one department—that of accounting—Borden methods are standardized and in that department the veriest tyro would realize the necessity for methods in all companies which would enable the company's auditors to translate results in each field into a consolidated balance sheet and income account for the parent company.

With each company, in nearly every particular, carrying on after joining the Borden family in exactly the manner in which it carried on prior to the union, it will be asked what are the benefits to The Borden Company in these acquisitions and wherein is the Borden progress greater than the aggregate of the progress of the individual companies as these companies operated before the Borden acquisition.

Big Organization Benefits Herd Owner

The principal benefits to The Borden Company in these numerous acquisitions are

(Continued on page 22)

Diversification Within Dairying Industry Begun by Borden Company After Great War

Changing Conditions Resulted in Decision to Broaden Activities

Expansion of The Borden Company began after the great war. The Borden Company from 1857 had been growing year by year in the condensed and evaporated milk business and only in the metropolitan areas of New York, Chicago and Montreal was it in the fluid milk business. This business was the natural outgrowth of the peddling of condensed milk from push-carts in the early days of the enterprise.

Few industries lend themselves more logically to diversification than milk. The Borden Company started early to add products—evaporated milk, dried milk, malted milk, caramels and ice cream.

When the end of the war reduced the demand of the army commissaries, there was a diminishment in the sales of The Borden Company. Whereas in 1920 gross sales were in excess of $120,000,000 the figure had been reduced to slightly less than $100,000,000 in 1921 and to $92,000,000 in 1922.

The sound policy of expansion and diversification within the dairy industry was then resumed on a larger scale. Gross sales were $100,000,000 in 1923, $109,000,000 in 1924, $123,000,000 in 1925, $125,000,000 in 1926, $132,000,000 in 1927, $180,000,000 in 1928 and $328,466,989 in 1929.

In World-Wide Marketing

At the present time The Borden Company subsidiaries sell fluid milk to hundreds of thousands of individual households, sell cheese and similar dairy products to millions of homes, sell condensed milk all over this continent and in Europe, produce and market a substantial proportion of the ice cream consumed in the United States and are expanding in this branch of the industry in Canada; produces and markets dried milk and cream, owns a casein manufacturing company operating in the United States and Canada, produces and markets malted milk mincemeat in packages, dried fruit juices, lemon pie filling, frozen eggs, canned chicken, butter, eggs and poultry.

There is no product of the dairy farm that The Borden Company does not now manufacture and market. It has adhered closely to the dairy industry, the only departure of importance being the None Such Mincemeat, which is a business it acquired with the Merrell-Soule Company, a branch of that company's business which has operated successfully for many years.

The real expansion in The Borden Company began in 1927 with the acquisition of the J. M. Horton Ice Cream Company and the Reid Ice Cream Corp., which were in prominent positions in the ice cream manufacturing business in New York City, New Jersey, Connecticut and Pennsylvania; and the Merrell-Soule Company (founded in 1868) and its subsidiary, Canadian Milk Products, Ltd., of Canada and Merrell-Soule Company, Limited, of England. The Merrell-Soule Company and subsidiaries are engaged in both domestic and export markets in the manufacture and sale of dried whole milk under the well-known brand of Klim, as well as other trade marks. These companies pioneered in and are the largest single producers of dried whole milk, a product of great and increasing importance of which The Borden Company theretofore had produced none.

The Merrell-Soule Company and subsidiaries also had been engaged in the production of dried skim milk, and in connection with the latter operation, produced fresh cream of which The Borden Company, through its subsidiaries, are distributors in New York, Chicago, Montreal and other large cities.

Mincemeat is Profitable Trade

None Such Mincemeat has been produced by the Merrell-Soule Company since 1895. This product enjoys a wide use in American homes. In more recent years the company developed and continues to produce commercially dried fruit juices, prescription products and so forth. The Merrell-Soule Company, with its subsidiaries, operated 23 plants (not including feeder stations and branch offices) in New York, Pennsylvania, Wisconsin, California and in Ontario. The products of the Merrell-Soule Company reach the consumer through the same channels as those already employed by The Borden Company and thus the business lent itself to a profitable and economical merging.

Purchases of Successful Enterprises Add Attractiveness of Investment

The Borden Company acquired a number of new subsidiaries in 1927 and more in 1928. Many of these companies were in Chicago, but there were others in Illinois and Wisconsin, while the Canadian acquisition was the Thompson Malted Milk Company of Canada, at Trenton.

In 1929 the F. X. Baumert Co., including the Canadian subsidiaries, was purchased. In connection with this it is interesting to know that the Huntingdon plant of the Baumert Company had been built originally by The Borden Company and later sold to the Baumert Company. The 1929 acquisition included a group of companies in and around Detroit, Mich., the Chateau Cheese Company in Ottawa as well as the Moyneur Co-Operative Creamery and Laurentian Dairy. There are several acquisitions in Ohio, Chicago and Wisconsin, while Caulfield's Dairy was the company's first venture into the fluid milk business in Toronto.

City Dairy is Latest Purchase

The purchase of the City Dairy Co., Toronto, in the last few weeks is the latest of the Canadian acquisitions which this year included three dairies and an ice cream company in the Border Cities, a dairy in Niagara Falls, Ont., the Hamilton Dairies, Ltd., and Pure Milk Co., Ltd., in Hamilton, Ont. Ottawa Dairy, Ltd., had been acquired in 1927.

Further expansion in Canada and the United States may be expected as the company finds opportunity to purchase properties which can be merged profitably with existing enterprises or properties which present opportunities in territories not now served directly by the fluid milk groups.

120 BORDEN COMPANIES

There are 120 operating companies in the Borden organization at present, of which about twenty, including subsidiaries of subsidiaries, are in Canada.

Borden Will be Vital Factor In Building Canadian Exports

The purpose of this supplement is to make Canadians more familiar with the aims and purposes of one of the most important organizations in the business world. The Borden Company has been a factor in Canadian business and a help in the growth of the dairy industry in Canada for more than twenty years, and its rôle in the future will continue to be a vital one in the further development of the domestic business as well as in the building of the export trade in dairy products.

The Borden Company is a commercial enterprise created originally as the result of a humanitarian impulse and which has been successful because the advertised merit of its products has secured these a place in the consciousness and the diet of the people. Its continued success will be in accord with the ability of its management and the constant virtue of the foods produced.

The Borden Company is in business for profit. But not for profit only. The whole organization seems imbued with a passion for producing the purest and best articles of food.

Borden heads may not call it altruism. They might insist that it is merely good business to produce a foodstuff of such merit that it is approved by physicians and so palatable as to make regular customers of all classes of consumers. Whatever is the reason, it is obvious to the observer that there is the utmost sincerity throughout the organization in the effort each year to improve the products sold for public consumption.

The Borden Company is an excellent example of integrity in business. It serves the public well because such service creates success for the great company as much as it creates success for the small retailer at the corner. Throughout the years since Gail Borden was selling almost the only pure milk in New York, the company has been a leader in the production of pure milk products and constantly has maintained standards in advance of the legal requirements.

See Visions Of Business Across Sea

Further Investment in Canada Aids Development of Whole Country

HOLDS PROMISE FOR TRADE

Only Large Organization With Far-Flung Sales Organization Could Embark on Such Comprehensive Plans Benefitting Herd Owners

Canada is in position to become one of the greatest of dairying countries. Its natural advantages are nearly as great as those of New Zealand. Its capacity for growth is infinitely better than that of Denmark.

With a population of less than 10,000,000, Canada's opportunities are excellent for developing a permanent and large export trade of dairy products. Tariff makers in the United States may bring us temporary grief, but it is the considered opinion of experts in that country that the republic must become again and remain a substantial importer of dairy products. Flanking that country, the bulk of the huge imports naturally would flow from Canada.

Canada already is in the export business so far as cheese and butter are concerned. Chateau Cheese, to mention one Borden product, is making Canada known in far countries. In many other products, Canada can grow in importance in international trade.

Domestic Market Important

The domestic market for dairy products is by no means unimportant and The Borden Company units naturally have attained and seek to extend their sales within the country. But a healthy domestic business is a foundation for seeking trade elsewhere if the company engaged in the domestic trade is financially strong and has the sales connections necessary to the development of foreign trade.

This is where The Borden Company, with its vast resources and farflung sales organization, can be of incalculable help to Canada in developing the dairy export trade.

Many Plans in Making

There are many developments which may follow the embarking of The Borden Company in the Canadian industry in a larger way than has been the fact since the first sales connection was formed in Montreal 30 years ago. The Borden Company is directed by men of vision, men with an intimate knowledge of the problems of the dairy industry, from the pasture to the breakfast table, from the bottled fresh milk to explorer's cache and the interest of that company in Canada will help this basic industry and the country as a whole.

The Borden Company has an important stake in Canada and Canadians have an important stake in The Borden Company. Residents of Canada in several years past have received more in dividends than the company has drawn out of Canada, while in the past four years the company has reinvested the full amount of the Canadian profits in Canada.

Good Management Assured

Canada welcomes The Borden Company in its plan of expansion for Canada. Canada always has welcomed foreign capital and Canadians generally have especial reason for gratification when capital comes which will be managed well. Some British capital is shy of Canada because of Grand Trunk mismanagement in London.

Presence of The Borden Company in one of the basic Canadian industries is in every sense a constructive factor. The Borden Company has a history extending over three quarters of a century. The fact that it has grown through this long period is ample evidence that its motives are honorable, its methods sound and its products worthy. There is nothing nationalistic in an enterprise which seeks to grow beyond the confines of one country. There can be nothing unsound in business methods which made a pushcart business one which last year had sales aggregating $328,000,000 and which will approach $375,000,000 in 1930. If through The Borden Company, Canadian products can add to Canada's fame in far countries, Canada will be immeasurably the gainer.

BORDEN CO. RANKS HIGH AMONG INVESTMENTS IN FOOD-PRODUCTS GROUP

Borden to Form Holding Company In This Country

Will Own All Capital Stock of Subsidiary Enterprises

2,200 CANADIANS OWN SHARES

Canadian Board of Directors to Include Men Prominent in Business Life of Dominion—Liaison Through Committee

The Borden Company's plans for Canada—now that the expansion programme has been so far completed as to include important fluid milk companies in principal cities in Central Canada, supplementing and assisting in the operations of condensing, drying and subsidiary dairy manufacture—is to form a Canadian holding company for all the Borden-owned properties in this country.

The new Borden company of Canada will have on its board a number of representative men in the dairy industry, others representative of the business life of Canada not necessarily concerned directly with the dairy trade and probably one or more men who have been identified with the success of such a representative company as City Dairy, Toronto.

All of the stock of the subsidiary companies, except directors' qualifying shares, will be owned by the new Canadian holding company, all of the stock of which, in turn, will be held by The Borden Company.

2,200 Canadian Shareholders

It is the parent company into which Canadian shareholders of companies purchased have been asked to transfer their stock. It is this stock which is listed on the New York Stock Exchange, where there is always a ready and active market.

The Borden Company had more than 1,200 shareholders permanently resident in Canada before the purchase of City Dairy, Toronto. The latter company had in all about 1,500 shareholders, of whom more than 1,000 were common shareholders living in Canada. In most instances, according to information which has been received, the City Dairy shareholders have accepted the offer of exchange of shares rather than take the alternative step of selling their City Dairy stock so that, when all the transfers are complete, it is probable that the Borden Company will have more than 2,200 shareholders in Canada. These shareholders will own over 300,000 shares of stock of The Borden Company, out of a total of 4,233,395 shares outstanding on completion of the purchase.

With the organization of the Canadian holding company, there will be five major subdivisions in the Borden enterprise. There are at present four subholding companies, all of the stock of which is owned by the parent company, and which in turn own all of the stock of the 120 operating companies in the United States and Canada.

The largest of these sub-holding companies is Borden's Dairy Products Co., Inc. which covers the operations of all the fluid milk and dairy products group. In this group are included the Hamilton, Niagara Falls, Border Cities, Ottawa and Montreal dairy companies, and which will include the City Dairy, Toronto.

The ice cream group includes all of the companies engaged principally in the ice cream business, as distinguished from dairies which operate ice cream departments. The only Canadian company in this group so far is the Wesgate Ice Cream Co

The manufactured products group really is the group in which The Borden Company has been most closely identified in its long history. This includes the original Borden condensing plants throughout the United States and in Canada. The Borden Co. Ltd. operating the business originally established in Canada more than 20 years ago, is in this group, as is Canadian Milk Products, Baumert Co. Ltd., and Chateau Cheese Company.

To Form Canadian Committee

It is probable that one of the early results of the organization of a Canadian holding company will be the appointment of a Canadian milk committee, the functions of which will be to allocate the supplies of fluid milk between the various Borden companies in this country in order to take care of surpluses which are inevitably created in various districts from time to time as pasturage and other conditions result in production beyond the demands of consumers in those districts, as well as better to allocate the supply in case of shortage in production.

At the present time, there is co-operation between the various Borden companies operating in Canada with a view to taking care of surplus supplies. But, pending a more thorough co-ordination following the recent acquisitions, the distribution of supplies is accomplished primarily through the central committee of the company. It is understood that the company plans to organize a Canadian milk committee at the earliest possible moment with a view to improving the distribution of fluid milk. This naturally will benefit the dairyman as well as the company.

While the projected Canadian holding company will own all of the stock of all the Borden companies in Canada, for purposes of operation it is likely that the various groups will remain in affiliation with the existing subholding companies, the co-ordination in operations being accomplished largely through the Canadian milk committee.

Old Organizations Are Not Disturbed By Borden Advent

(Continued from page 21)

benefits to the whole dairy industry, a source of profit to every owner of a dairy herd, and in such organizations as Borden lies the hope for stabilizing the dairy industry on a basis which will contribute more to the wealth of the country and its importance in the export markets of the world.

The bugaboo of the distributor is a shortage of milk. The bane of the existence of the dairyman is not to be able to sell his milk. The cow gives more and richer milk in summer than in winter and, in winter, milk costs more to produce because pastures are barren and hay must be fed. The housewife's demand for milk is more or less constant; she buys very little more in summer, because it is more plentiful than in the winter when it is not so plentiful.

Ice Cream is One Balance Wheel

So the problem of the milk distributor in the past has been to meet all the demands of all his customers and at the same time not have surplus milk in seasons when milk is plentiful. The ice cream business, which reaches its peak in the hot weather, is a great balance wheel for the industry. The condensaries, evaporators and powdered milk factories are other institutions which absorb surpluses in seasons of plenty.

But not all milk distributors can be in the ice-cream business, which is an industry by itself, and not many are in position successfully to embark in the condensing, evaporated or powdered milk trade.

Thus in the past, one distributor would have a surplus which would be turned back to the farmer to be fed to pigs. Another might be suffering from a shortage which would lose his customers. A third might be powdering milk which he would have to sell at distress prices because it was not a well-known brand. There was loss, confusion and waste of one of the best foods.

Takes Care of Surpluses

The supplying of milk has been likened to a public utility because milk is a necessity of life. There are other similarities to the great electric-power distributing systems which have been created in recent years. These great systems are connected one with another so that a breakdown in power in one region, an extra demand in one region, or a peak load at a different hour, may be supplied economically from another region.

The Borden Company strives—and, to a large extent, succeeds—in achieving the same end with a large part of the milk supply of this continent. In New York there is a central milk committee which co-ordinates the supply of fluid milk so that each local distributor, each condensary, each powdered-milk factory, each cheese factory may have all the milk it can use profitably without waste of surplus, without shipping excessive distances.

This is of incalculable benefit to the owner of the dairy herd. The experience in the Toronto area in the last year has not been entirely satisfactory, for the reason that, sometimes as often as twice a week, good fresh milk had to be fed to pigs because there was no other way of disposing of it. Under an ideal organization of the dairy industry—an ideal which would embrace a fairly substantial proportion of the fluid milk supply in any dairying district—the milk supply would be so coordinated that surpluses would be preserved in one form or another for human consumption.

The Borden Company through its central and regional milk committees thus is contributing materially to the welfare of the dairy farmer as well as bringing to itself the benefits of expansion and co-ordination. The Borden Company long has recognized that its own interests and the interests of the dairy farmer are identical; the company cannot be successful if the dairy farmer is not able to operate profitably. A continued unsatisfactory experience for the dairy farmer would cause him to sell his cattle for beef and to remain irretrievably out of the dairy business. This is reason enough for the Borden Company in every way to promote the best interests of the owner of dairy cattle.

In this connection, it is worth noting that The Borden Company in New York state has for years obtained its milk supply from the Dairymen's League, a purely co-operative organization of dairy farmers, with satisfaction on both sides.

Where Sales Efforts are Consolidated

While the Borden Company does not interfere with established brands of companies acquired, and retains in so far as is practicable any other features of a constituent business which have contributed to the success of that business, there are instances where a consolidation of sales effort and marketing facilities is of benefit to the parent company and the local enterprise. For instance, there have been comparatively small companies acquired which in the past had been marketing without the aid of comprehensive sales organizations, a certain amount of milk powder. These plants continue to manufacture milk powder but in most instances it has been found beneficial to market the product through one or other of the other Borden companies which had an established clientèle in that branch of the business.

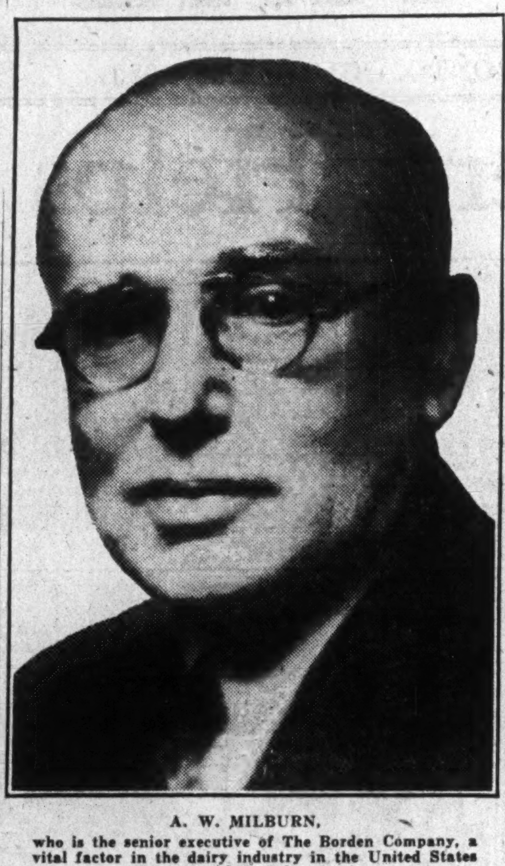
Similarly, as in Chicago, a number of companies were acquired a year or so ago where there was an overlapping of sales effort and an attempt to promote "consumer acceptance" of brands which had not made particular inroads on the local market. In such instances the Borden Company brings about a consolidation of sales and advertising, with the elimination of the less successful brands.

Just a Few Broad Principles

The management of The Borden Company, however, is careful not unthinkingly to attempt to improve a situation which is healthy. Changes which may come from time to time will be for the purpose, not of standardization, but of elimination of duplicated effort with a view to lowering costs of operation. In a city where several milk-distributing organizations have been acquired it is probable that there will be steps which will assist in the more economical distribution of the company's products. In all instances, however, where there is any value in the localized company's name, or trade name, this will be retained. In some cases, where a company acquired adds a line, the new line may, if conditions warrant, bear the Borden name. For example, at the present time, "Borden's" ice cream is being introduced in Detroit Mich., and Waco, Tex.

So The Borden Company has expanded with only broad principles as a guide. These broad principles are the basis of sound business, highest quality products, good service and fair dealing to its own employees, to dairymen and to the public.

Is Borden President



A. W. MILBURN,
who is the senior executive of The Borden Company, a vital factor in the dairy industry in the United States and Canada.

Gail Borden Pioneer In Modern Methods For Preserving Food

Invention, in Essentials, is Process Still in Use in Largest Factories

FOUND MANY DIFFICULTIES

Financial Resources Exhausted Before Patent Authorities Would Admit Merit of Vacuum Principle

No story of The Borden Company, no story of condensed milk—and indeed, no story of food preservation—would be complete without a sketch of the picturesque career of Gail Borden, who was born in 1801 and who died in 1874.

It is a romantic story from the very beginning—a story of early poverty, slight schooling, frontier adventure, war, disappointment, continual discouragement, humanitarian motives, ultimate commercial success.

The Borden family originated in Alsace. The forbears of the New England Bordens and the Nova Scotian Bordens, from which stock Sir Robert Borden springs, journeyed to Kent in England and in later generations emigrated to this side of the Atlantic.

Teacher, Surveyor, Politician

Gail Borden's parents left the comparative civilization of New England and settled in the wilderness of Kentucky, where the future inventor of the process for condensing milk—which process in its essentials is the same as is used today—got a brief schooling, which he supplemented by such means as an indomitable will afforded him. Not long after his schooling he became a teacher and a surveyor in Illinois. Then a none-too-robust health induced a physician to recommend a more southerly climate and Gail Borden journeyed down the Mississippi in the capacity of a supercargo on a lumber barge, which was carried to its destination, in what is now the State of Mississippi, by the current of the great river.

In Mississippi he tarried a few years as a teacher and surveyor, but eventually he was a resident of Texas, which then was a turbulent, downtrodden, discontented province of the Republic of Mexico, although it was populated principally by Americans of Anglo-Saxon blood.

Gail Borden became a politician, one of the important aides to Austin and other patriots who led the revolution which first brought into being the Repubiic of Texas and the condition which brought that Republic into the American Union. In the course of these activities he became a publisher of the first newspaper in Texas and the deposit of his printing press and other equipment in a river—an act of retribution ordered by a Mexican general—did not prevent Gail Borden from raising further funds by mortgaging land, journeying to Cincinnati and buying another printing outfit to carry on the work.

Gail Borden's inventive capacity was in evidence in his Texas days. He hoisted sails on wagons in the belief that wind would furnish power for crossing the prairie. This invention was a failure because a wagon will not tack, or beat against wind.

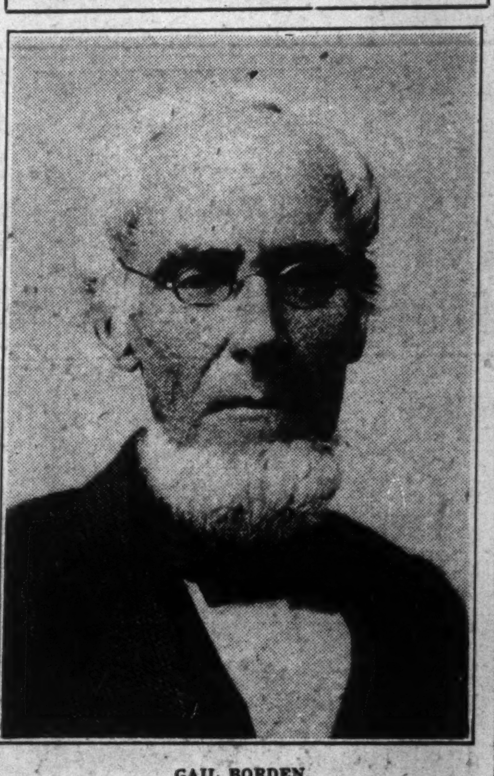
But food preservation was more in his mind. He perfected a process for making a meat biscuit. This mixture was flour and meat cooked together and pressed into biscuit. Pemmican was previously known, but it is stated that the old Borden meat biscuit was superior to the brands of pemmican then in use. The sales of these biscuits grew rapidly and, at the Great International Exposition in London in 1851, he was awarded a Grand Council Medal.

Yet Gail Borden was not to make his fortune out of these biscuits. The biographers of the inventor of a condensed milk process are somewhat reticent on the point, but it is intimated that the machinations of army contractors, who saw in the meat biscuit a check to their lucrative business, were disastrous to the biscuit business, and in a short time after the London award, Gail Borden was penniless.

But meanwhile he had conceived the idea of preserving milk. It is recorded that it was on a sailing vessel on which he returned

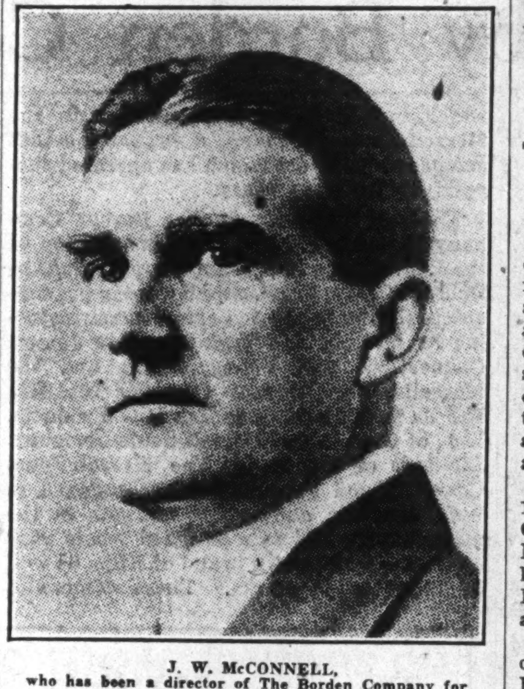
(Continued on page 24)

Founder of Great Business



GAIL BORDEN,
teacher, surveyor, Texas patriot of Yankee, English, French descent, who invented the process of preserving milk in all the original purity. The business he founded in 1857 today is one of the greatest in the commercial world and by its adherence to principles of the founder, has contributed greatly to public health.

Is Canadian Director



J. W. McCONNELL,
who has been a director of The Borden Company for some time. He long has been prominent in financial circles in Montreal and his business activities are spread throughout Canada.

J. W. McConnell Canadian Director

J. W. McConnell, Montreal financier, has been on the board of the parent Borden Company for some time, having been invited in accordance with the Borden policy of procuring the assistance and advice of representative men in each community in which it operates. It is understood that Mr. McConnell will also be a director of the new Canadian holding company which is to be formed by Borden to co-ordinate the Canadian properties. Other prominent Canadians also will be members of that board.

Mr. McConnell, who was born in Muskoka in 1877, became manager of the Standard Wood Chemical Co. in Montreal in 1900, and entered the Montreal financial field in 1906. In June, 1914, he became the active head of St. Lawrence Sugar Refineries, Ltd., of which he still is president and managing director.

Mr. McConnell is a director of many foremost companies, including the Bank of Montreal, International Nickel, Montreal Light, Heat & Power Cons., Royal Trust Co., Ogilvie Flour, Sun Life and Dominion Bridge.

Meeting Tests, Borden Shares Appeal Widely

Essentials of Common Stock Investment Embraced in This Dairy Stock

PROGRESS IS MAINTAINED

Safety, Appreciation, Yield, Marketability Embodied in Capital Issue of Organization Spread Over Whole Continent

The Borden Company stock meets the needs of the investor in common shares. There is a high degree of safety, promise of increasing dividend returns, probability of continued appreciation, and broad marketability.

The safety factor is extremely high. In this connection, in these days of business, it is necessary only to mention that only one other company in the dairy or affiliated industries approaches the Borden Company. The history of the Borden Company from the days of its early struggles—more than 70 years ago—has been one of continuous progress and growing strength.

Accounting Methods Conservative

Today, the company presents a balance sheet that is a model of conservative accounting. The only capital stock is the common stock. The only prior claims on the assets and earnings are the comparatively small trade bills of the company and a mortgage for $1,400,000 on the head office building of the company on Madison Avenue, New York—a building which is rented in part to outside tenants and is self supporting.

The history of the company and the success of the programme of expansion—which has coordinated the management of a widely scattered group of properties within the dairy industry in a short time—are evidence of the prime requisite of safety in investment—sound and able management.

One of the Most Essential Industries

It is an essential industry. Milk and manufactures thereof have been known from the earliest times—are essential to the well being of mankind and must continue to the end to supply necessary nourishment for human beings from infancy to old age. And while civilization exists, while great cities grow greater, while there must be distances between the cow that produces and the human that consumes, while men continue to go beyond the confines of settled communities, beyond the means of ready communication, there will be a demand for preserved milk products.

The Borden Company has achieved perfect diversification within this essential industry. Whether it is a bottle of fluid milk left on a metropolitan doorstep, whether it is a can of condensed, evaporated or dried milk in the pack of the Arctic explorer or the jungle hunter, whether it is cheese sold in Shanghai or ice cream distributed in Toronto, the Borden Company can and does supply a substantial proportion of the market. Only in a big company, adequately financed and soundly managed, can there be maintained such an intricate organization as is necessary to advance the dairy industry in these times.

Dividend Returns Grow

So much for safety. In the matter of dividend returns, the investor has had, and probably will continue to have, a gratifying experience. There have been continuous dividends on the common stock of this company since the incorporation of the first Borden Company in [illegible]. There has been an almost constant increase in the dividend rate and there have been several extras.

In 1929 the company paid $3 per share on the common stock and in addition paid a three per cent dividend in stock. It has been intimated that this three per cent stock dividend will be repeated this year and in subsequent years as conditions warrant.

From time to time the company has offered new stock to shareholders on favorable terms. There were five express occasions between 1924 and 1928, the last occasion being in April, 1928. The market value of the rights in 1928 ranged between $4.25 per share and approximately [illegible] per share, on the old basis of $50 par value, which appreciably increased the return to shareholders in that year.

Appreciation Reasonably Expected

From the point of view of appreciation the shareholder has every reason to expect a favorable experience in such a company as Bordens, as soundly established in this essential industry. With the expansion programme being carried out at a slower pace, possibly, than has been the fact in the last few years, it is possible that the earnings available for dividends will be proportionately higher, since the management will be able more easily to consolidate the operation of the interlocking and overlapping properties.

The management of the company is favorably disposed toward the shareholders because of the policy of obtaining as wide a distribution of the stock as is possible. This has resulted in two subdivisions in the shares. The first was in 1925 when the old stock of $100 par value was subdivided into shares of $50 par value and second was in 1929 when the shares of $50 par value were subdivided into shares of $25 par value.

Earnings on the stock totalled $5.50 in 1929 and despite the increase in the number of shares outstanding, due to the stock dividend and the shares issued in payment of properties acquired, it is expected that the earnings per share in 1930 will be in excess of those reported for 1929. those reported for 1929.

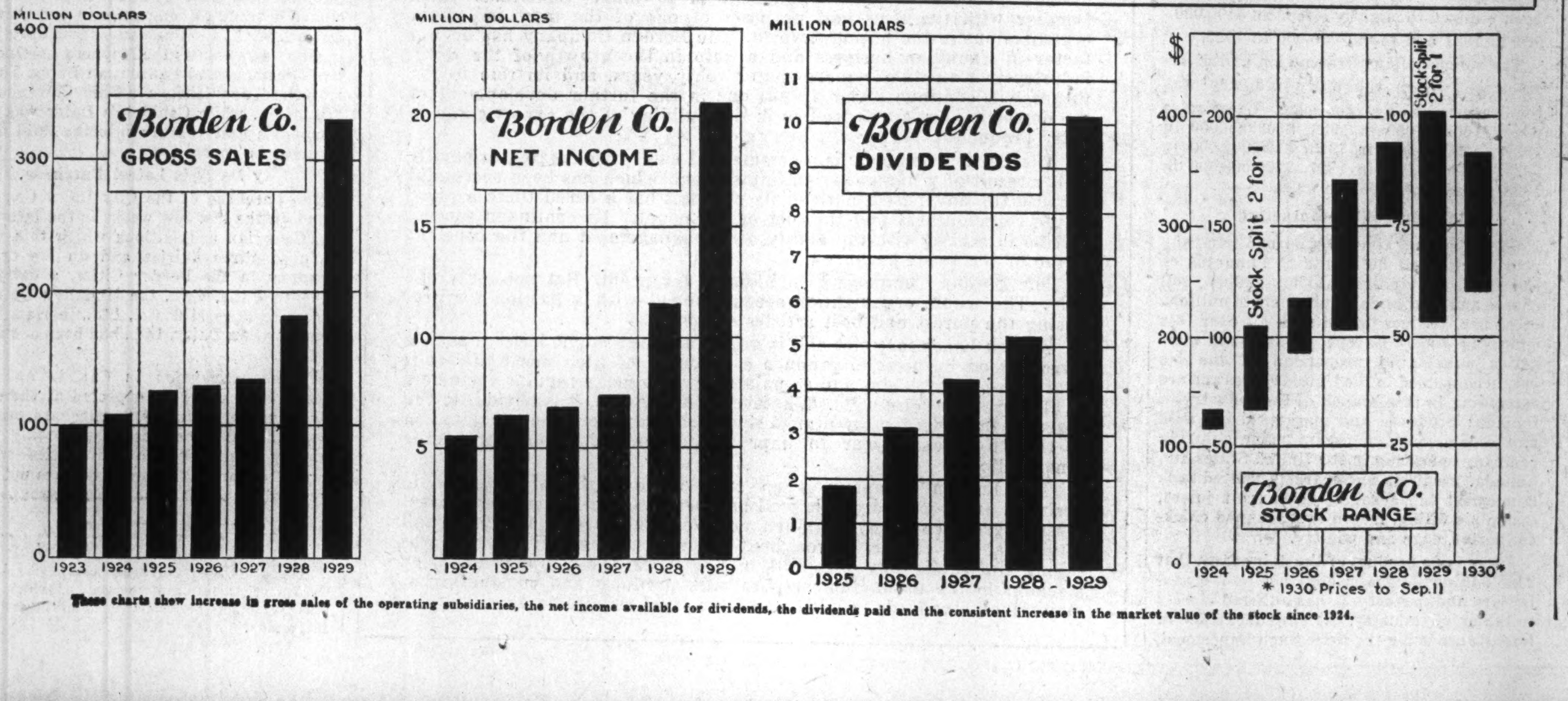
The marketability of the stock of the Borden Company is excellent. The stock is active on the New York Stock Exchange and is also listed in San Francisco, while consideration is being given to listing in Montreal and Toronto in the course of the next few weeks.

Subsidiary is Largest Unit In Entire Dairy Trade

Borden's Farm Products Co., Inc., is the largest single distributor of dairy products in the United States, and, consequently, in the world, so far as known, and has for years been the largest of the Borden companies. In the metropolitan district of New York, in Albany and Utica, N.Y., and in Bridgeport, Conn., it serves more than 750,000 customers by means of wagons and trucks. It operates 30 pasteurizing plants, and 145 milk stations in the finest dairy districts of the States. Its employees number more than 11,600.

The company is an outgrowth of Gail Borden's original enterprise, in which his first product, unsweetened condensed milk, was served from 40 quart cans from a push cart, at 25 cents per quart. With the rapid development of Eagle Brand Condensed Milk in cans, the business was departmentalized and in 1917 Borden's Farm Products Co., Inc., was organized as a separate corporation.

Borden Company Annual Reports Reveal Substantial Progress



These charts show increase in gross sales of the operating subsidiaries, the net income available for dividends, the dividends paid and the consistent increase in the market value of the stock since 1924.

CITY DAIRY CO., TORONTO, HAS RECORD OF SPLENDID SERVICE TO COMMUNITY

City Dairy Co. Plant Remains Best in Trade

Latest Improvements Guard Product, Promote Internal Efficiency

EQUIPMENT FINEST IN USE

Conveyor Takes Empty Bottles from Platforms—Not Touched by Hand After Washing Until Filled and Capped

City Dairy Co. has one of the finest plants in existence anywhere. The buildings which curve part way around Spadina Crescent, Toronto, are not only very fine in external appearance, but any man with an eye for machinery, and especially anyone acquainted with the dairy industry, needs but to step inside to realize that here is a plant which for efficiency is not surpassed elsewhere.

One of the newest improvements is a conveyor which travels through the whole plant.

Bottles Washed 22 Minutes

The driver places his crates of empty bottles on this conveyor. It enters the building. The bottles are removed and the crates sidetracked. The bottles go to washing devices as big as a threshing machine, where each is steamed, sterilized, boiled, scoured and scrubbed for 22 minutes. Even then inspectors watch them coming from the machine.

As the bottles are carried along, they are mechanically detoured to the filling machine, where the milk flows in to an exact level by a vacuum process. Then they are capped, and lifted by hand from the conveyor to the crates, which are moving on a conveyor toward the loading platform.

The filling devices, which are illustrated elsewhere in this issue, are fed from the cooling coils above, the milk flowing over these racks after it has been through the filters and pasteurizers thus ensuring cleanliness and purity.

Visitors Are Welcomed

A glass-enclosed gallery above this part of the plant makes a visit to the City Dairy plant interesting for outsiders and convenient and of value to the company.

The reconstruction of the plant, which was accomplished in 1929, was in itself a feat of no mean importance. It was rather a slow process because the plant had to be kept in operation every day and through a part of every night, and it was essential that the new machinery be placed almost exactly in the place of the old machinery. This necessitated careful organization and the replacement of a part of each unit without disturbing the flowing of milk through the plant.

City Dairy Co. Believed Biggest Under One Roof

City Dairy Co., Toronto, is believed to serve more homes than any other individual dairy in the British Empire.

This is brought out in a pamphlet published a year or so ago by the company wherein is set forth the achievement of the company from the beginning. It is interesting reading for any person who is alive to progress that can be made by a corporate enterprise serving a growing city:

"Many years ago this institution was founded by sincerely spirited men to meet a very commanding need—the vital need of pure, rich milk. And so determined were the founders of this company to respond that they spent very large sums of money providing means and protection hitherto unknown.

"Our actual working investment in this organization, which provides a perfect distribution of pure, rich milk, has been and is many times greater than the investment of any other organization that has followed our methods.

Is History of Pure Milk Supply

"When our original building structure was finished with its equipment complete, it was then and is today the greatest dairy in this dominion.

"In the year 1900 Toronto's milk supply was practically unregulated. It was in June of the same year our organization began. Then the toll of baby lives was nearly three times as great as it is today.

"The history of City Dairy Co. is the history of a pure milk supply for the city of Toronto. Of all the achievements for which our city is famous the world over, our pure milk supply stands among the foremost.

"For many years our main dairy building has been an architectural landmark among the fine institutions of the city of Toronto. Many extensions have been made to it, and great expansion has been made in the way of other plants situated at convenient points in the vast milk-producing centre of Western Ontario. Year after year our business becomes bigger, we serve more homes, and we have to extend and adequately proportion our source of supply to the increased demand. We now operate fully equipped plants on important railway lines at Woodstock, Embro, Listowel, Straffordville, Courtland and Simcoe (Princeton and Villa Nova since have been added). From these plants the milk is despatched to Toronto every morning in our own express refrigerated cars. It is under our inspection and control from our farms to your doorstep.

Constantly Improving Methods

"In the beginning our equipment was the most efficient known to science. New ideas and discoveries brought about many changes. Some methods have been improved upon several times. In this important connection we kept informed about and abreast of every advance through the years. And today you will find in our various plants the largest units of the most practical and scientific equipment in the dairy world.

"More important than all is experience, knowledge, sincerity and true purpose on the part of those who are associated with an organization of this character. In the process of buying it is very natural to want the highest standard, particularly if there is little, if any, difference in price. It is this inclination together with confidence that inspires the fine words you hear spoken about City Dairy milk by City Dairy customers. Clean-flavored, pure, rich, safe milk is what anyone deserves. You should know your milkman as you know your doctor.

"During the past years we have talked about ourselves by means of advertising, but we have never hesitated in making it plain that our steadfast progress could be traced directly to the wise judgment of mothers who buy milk. And we have learned from experience the value of approval.

"That an earnest effort to accomplish a real, useful service can be appreciated by a community is surely proven by the fact that we serve more homes than any other individual dairy in the British Empire.

"We are proud of our attainment, and while presenting these facts we are confident you, too, will say we have succeeded."

2,200 CANADIAN SHAREHOLDERS

At the end of 1929, the Borden Company was owned by 17,167 shareholders, who held an average of 215 shares. The number of shareholders has been growing rapidly, due to acquisitions and otherwise. There are expected to be some 2,200 shareholders of this company in Canada, representing a greater equity in the company than is the total of Borden investment in Canada.

Completeness is Feature Of City Dairy Co. Plant

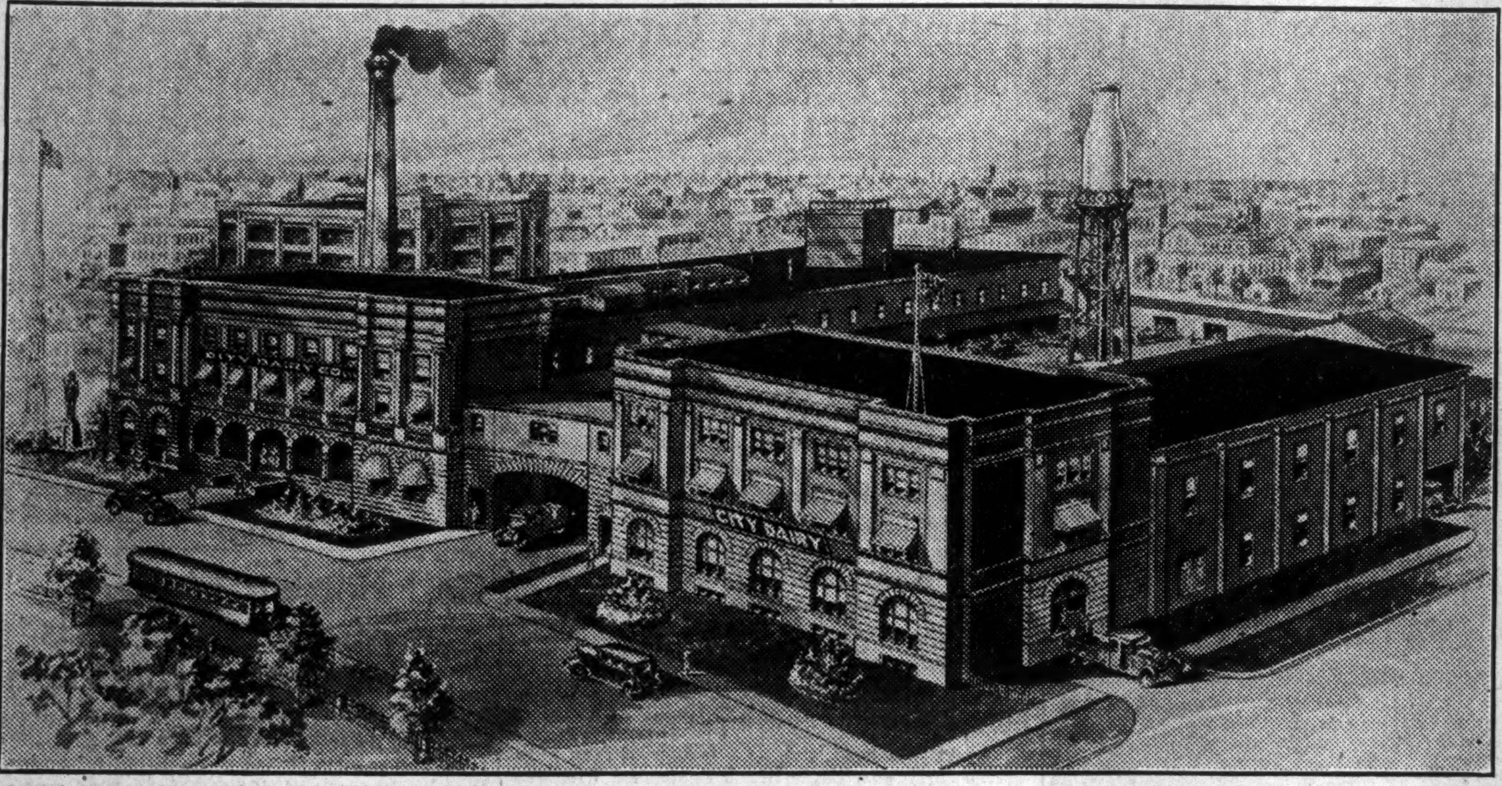
City Dairy Co.'s Toronto plant is one of the most complete in the industry.

It includes a tinsmith shop for making milk cans, a complete wagon works and harness-repair shop, an ice-making department, a restaurant for employees, and a milk-testing laboratory.

The company, besides operating seven plants in Ontario dairying centres, owns a 740 acre farm at New Lowell, Ont., from which farm it gets its certified milk for babies.

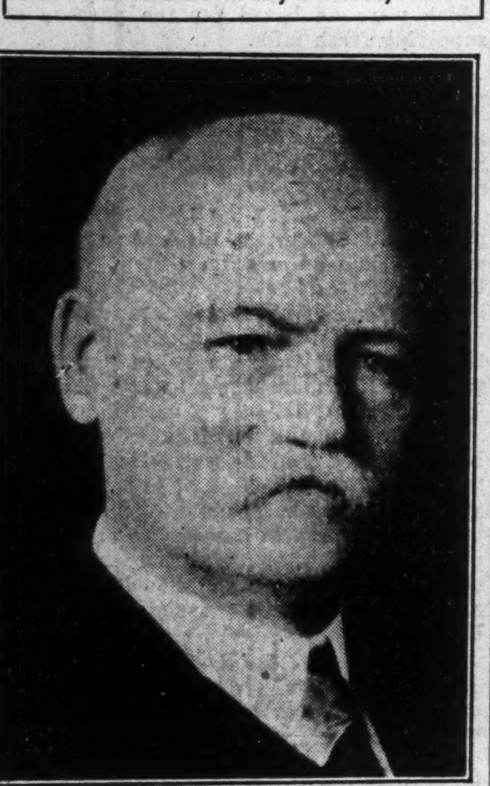
The main plant at Toronto includes an ice cream manufactory and butter plant. The ice cream plant is, like the rest of the works, exceedingly well equipped. Hands never touch the ice cream during the process of manufacture and packing.

City Dairy Plant is One of Most Impressive in Industry



This drawing is an accurate view of the plant of the City Dairy Co. in Toronto.

Is President City Dairy Co.



S. J. MOORE,
who has been connected with Canada's most successful dairy company for 30 years and who contributed largely to its growth. Mr. Moore is president of the Bank of Nova Scotia and the presiding genius of Moore Corp. and subsidiary companies.

City Dairy, Like Borden Co., Owed Its Early Beginnings To Philanthropic Motive

Walter Massey Wished to Supply Need for Fresh Milk in Toronto

NOT ALWAYS SUCCESSFUL

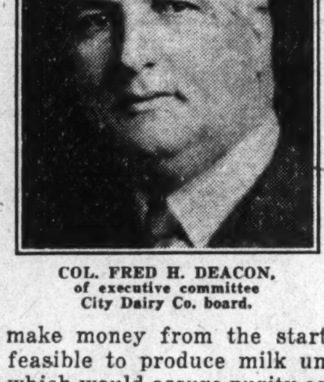
Profit Soon Followed Advent of S. J. Moore's Sound Policies—Later Success Due to W. J. Northgrave

One of the most interesting coincidences is that the Borden Company in the United States grew from one man's wish to preserve pure fresh milk and that the City Dairy Co. in Toronto, acknowledged as one of the finest dairy properties anywhere, grew from another man's desire to supply pure fresh milk to the citizens of his home city. And it was testified at the last meeting of shareholders of City Dairy that the late Walter Massey was encouraged in his project by the then head of the Borden enterprise.

It is another coincidence that City Dairy Co.—the outgrowth of Walter Massey's dairy farm on which was the first certified herd in Ontario— became of public investment interest less than a year following the public distribution of stock of The Borden Co., which had been growing as a close corporation for upwards of 40 years. City Dairy Co. was incorporated in Ontario in 1900. The Borden Co. was incorporated in New Jersey in 1899.

Has Grown With City

City Dairy Co. has grown with the city it serves and has expanded in a large area with its ice cream business and is of national importance in the dried milk business, while its contribution to the success of the dairy farmer in the best districts of Ontario is substantial.



COL. FRED H. DEACON,
of executive committee City Dairy Co. board.

Not Profitable at Start

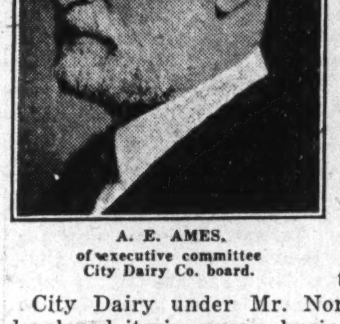
City Dairy Co. did not make money from the start. It was not feasible to produce milk under conditions which would assure purity and to distribute it from a plant which always has been in advance of legal requirements.

S. J. Moore, who has been associated with the company throughout its career, was induced to become president in its very early days when it was showing a loss on operations. Mr. Moore's policies were such that from then it was possible to show a profit, for the volume grew and Mr. Moore and his associates were good managers.

City Dairy's insistence on safety, purity and richness in milk has been a factor in the legislation which in the last thirty years has been created for the safeguarding of consumers. City Dairy's methods early won it the support of the medical fraternity so that, even today when there are high standards in all dairies which are allowed to distribute milk in any quantity in any Ontario community, there is still an insistence on the part of many physicians that City Dairy milk be used in any household where there are young children.

After the first two or three years of its existence, City Dairy Co. enjoyed almost uniform prosperity until the war period. Conditions changed then and for a few years profits were absent. But with the appointment of the late W. J. Northgrave as manager, the City Dairy once again began to go ahead and the shareholders in the intervening years have benefitted enormously, employees have been treated well, dairy farmers have found it profitable to deal with City Dairy and the company has a growing clientèle of satisfied consumers.

Of course, one reason that City Dairy has done well in the last fifteen years was that it had a strong hold on the consuming public in a growing city. Another reason was that the company was financially strong enough to place a wagon on every new street in the city as soon as one house became occupied. A third was the uniform quality of the milk—always above the legal standard—and a fourth was the very efficient service which is rendered by the loyal staff which averages high in the years of service with this company.



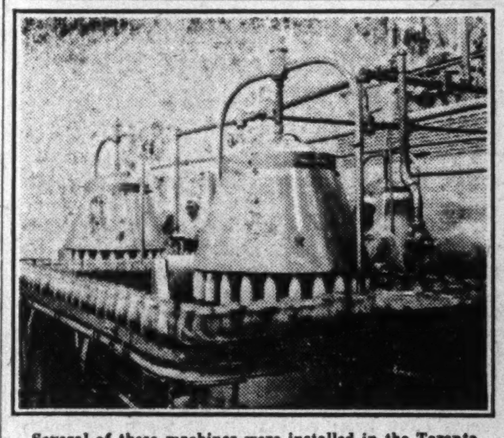
A. E. AMES,
of executive committee City Dairy Co. board.

City Dairy under Mr. Northgrave also developed its ice cream business to a high degree so that today City Dairy ice cream is sold in the majority of the communities within 100 miles of Toronto. Then, in 1920, a further important step was taken when the company incorporated a subsidiary, the Drimilk Co., which began the manufacture and sale of dried milk.

Powdered Milk Now Cheaper

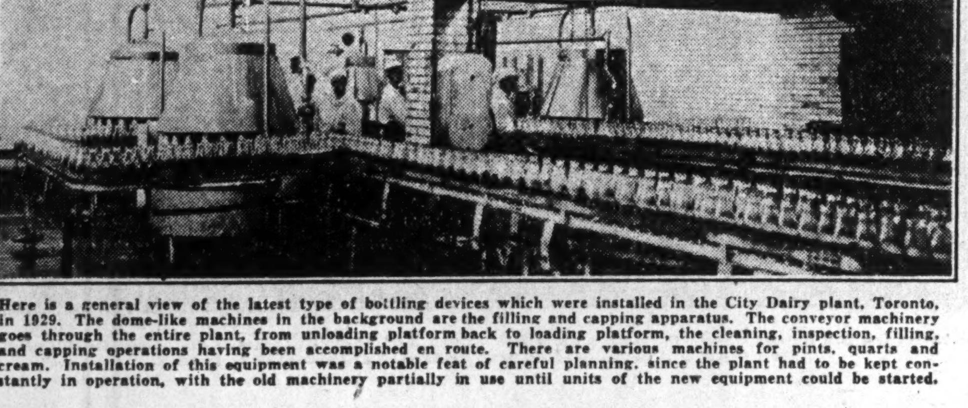
In this connection, it is interesting to note that the original sales letter sent out by the Drimilk Co. offered dried or powdered milk at 24 cents per pound. This was two cents per pound lower than the scale prevailing at the time and naturally brought some orders from customers who were willing to try this new product of an old-established company. Since that time, the improvement in the manufacturing process, economies in distribution and, more recently, the surplus of milk, has brought down the price of milk powder until today it is selling at less than half the original price.

Close-up of Bottling Device



Several of these machines were installed in the Toronto plant of the City Dairy Co. in 1929. They are the very latest style in dairy equipment.

City Dairy Plant is Last Word in Efficiency



Here is a general view of the latest type of bottling devices which were installed in the City Dairy plant, Toronto, in 1929. The dome-like machines in the background are the filling and capping apparatus. The conveyor machinery goes through the entire plant, from unloading platform back to loading platform, the cleaning, inspection, filling, and capping operations having been accomplished en route. There are various machines for pints, quarts and cream. Installation of this equipment was a notable feat of careful planning, since the plant had to be kept constantly in operation, with the old machinery partially in use until units of the new equipment could be started.

City Dairy President Is Outstanding Figure In Canadian Business

S. J. Moore Largely Responsible for Early Success—Holds Important Posts

S. J. Moore, chairman of the board and president of City Dairy Co., Ltd., Toronto, is one of the leading figures in Canadian business life, and one who has important business connections in the United States.

Mr. Moore has been a director of City Dairy Co. throughout its existence as a corporate enterprise and its success dates from his acceptance of the office of president. He resigned from that office when the company in its early days became firmly established, but again accepted the office last June on the death of W. J. Northgrave, the president and managing director who was largely responsible for the company's great progress in the last fifteen years.

Born in England

Mr. Moore was born in Northamptonshire, England, in 1859. From 1874 until 1879 he was a practical printer employed on the Barrie (Ont.) Gazette. He moved to Toronto in 1879 and became a partner in the printing and publishing company of Bengough, Moore & Co., eventually branching into other lines.

City Dairy and Moore Corp. are outstanding achievements in the business career of Mr. Moore. Moore Corp. is a holding company for American Salesbook Co., Gilman Fanfold Corp. and Pacific-Burt Co., and their subsidiaries, with factories at Elmira, N.Y., Niagara Falls, N.Y., and Los Angeles, and sales connections throughout the United States. These companies are prominent in a growing industry, the manufacture of business forms.

F. N. Burt Co., one of the largest manufacturers of paper boxes, is another company in the Moore group which is an outstanding success in the United States, as well as in Canada.

President of Bank of Nova Scotia

Mr. Moore for some years has been president of the Bank of Nova Scotia. He is also a director of the Toronto General Trust Corp., another of Canada's great financial institutions. His other directorates include the Imperial Life, of which he is vice-president.

Mr. Moore is a prominent Baptist, having been closely identified with the Laymen's Missionary Congress, the Baptist World Alliance and other religious activities. He also has been prominent in civic and philanthropic movements.

Retirement Fund Ensures Future of Older Employees

No old employee of City Dairy Co. has any reason to worry because of the change in the control of the company. There is an old-age pension plan for City Dairy employees, there is group insurance, and the record of the Borden Company in the treatment of its employees, including the employees of companies newly bought, is excellent.

One of the first acts of the board of directors following the death of Mr. Northgrave was to institute a system of group insurance. This was a step which Mr. Northgrave had had in mind for some years.

There are few other companies in Canada with both retirement allowances and group life insurance for employees.

Made City Dairy Grow

W. J. NORTHGRAVE,
former president and general manager of City Dairy Co., whose death last June removed an outstanding figure in the industry.

Manages City Dairy

LT.-COL. C. M. RUTTAN, C.B.E.,
former Winnipeg manager of City Dairy's dry milk business promoted to general manager on death of former president and managing director, W. J. Northgrave.

City Dairy Men Record in War One of Finest

Seventeen Killed Overseas of 180 Who Enlisted from Plant of Company

EMPLOYS 107 VETERANS

More Than 25 Per Cent of Driver-Salesmen on Payroll Are Former Soldiers—Company Treats Workers Well

Probably no company in Canada can point to a prouder record in the Great War than was made by the employees of City Dairy Co., Toronto. No less than 180 employees enlisted in the Canadian army, and of these no less than seventeen were killed or died of wounds. The bronze figure of a soldier at attention, which stands on a granite base suitably inscribed, is erected at the north end of the head office of the company on Spadina Crescent, Toronto.

And no company has a better record in the treatment of its employees, nor in the employment of former soldiers, than has City Dairy Co. Of the 700 employees in the metropolitan area at the present time, no less than 107 saw service overseas.

The majority of these veterans, just as were the majority of the enlistments, are men on the wagons, the men who make the arduous rounds with the milk bottles, who must be hardy and who, perforce, have a familiarity with horses which made them valuable acquisitions in several branches of the service.

Recreation Room is Model

City Dairy Co. has an enviable record in its treatment of employees. The recreation room on the third floor of the head office was fitted out and is maintained at the company's expense in a manner which would do credit to any first class club. Wages of milk wagon drivers rose steadily under the management of the late W. J. Northgrave, and he was always watching with understanding and sympathy the welfare of the men who made the early morning rounds in all kinds of weather. It was an attitude prompted by good feeling, but it also was sound business, for the driver is the contact between the company and the consumer and it is only through the driver that the company is able to maintain the good service that is a requisite to success.

The policy which Mr. Northgrave pursued to make as comfortable as possible the arduous life of the salesman on the wagon is being continued. The present general manager, Lt.-Col. Charles M. Ruttan, C.B.E., who formerly was manager of City Dairy sales in Western Canada, was selected by Mr. Northgrave a year ago as one of his executives who could carry on the supreme direction of the business. Mr. Northgrave, who was ill some months before he died, was unable in those months to spend as much time as had been his custom in the operation of the business at the head office, but during that time Col. Ruttan proved the wisdom of Mr. Northgrave's selection and the directors, on Mr. Northgrave's death confirmed the appointment.

With Company Since 1922

Col. Ruttan has been with City Dairy Co. since 1922. His office was in Winnipeg, where as Western sales manager he developed the business of City Dairy's thriving subsidiary, Drimilk Co. Col. Ruttan is a native of Canada, his ancestors on both sides having been of United Empire Loyalist stock.

Col. Ruttan was born in Winnipeg in 1883 and was educated in the public schools and collegiate there. His first job was in the office of the commissioner of the Hudson's Bay Co., in 1905 he entered the passenger department of the Canadian Pacific Railway. In 1907, when he was only 24 years old, he commenced a brokerage business on his own account, in which activity he remained until the outbreak of war. He was overseas five years and, on his return to Winnipeg, again established his old business, which led to his connection with the City Dairy organization in 1922.

As the son of a soldier (his father was Brig.-Gen. Henry N. Ruttan, C.M.G., an outstanding figure in the development of Winnipeg) Col. Ruttan always has been interested in military affairs and was an officer in the Canadian Army Service Corps from 1907 on. He went overseas in 1914 as captain in the First Canadian Divisional Train. He served in France in 1915 and was appointed to the command of the Canadian Army Service Corps training depot at Shorncliffe, England, in April, 1916. His ability as an executive and organizer were recognized in his promotion to the headquarters staff, Canadian Expeditionary Force, London, as deputy director of supplies. He was promoted as assistant director of supplies and transport and, finally, at the close of the war, was assistant quartermaster general. He was mentioned in despatches and was created a commander of the Order of the British Empire (military branch) in 1919.

City Dairy Co. Maintains Unit on Toronto Island

The policy of centralization of operations in one main plant for the city has been successful for City Dairy Co., so far, for the plant on Spadina Crescent has served all parts of metropolitan Toronto and the immediate suburbs.

The only exception is on Toronto Island. At Centre Island, across the harbor, the company maintains in the summer months an attractive restaurant and soda fountain. The building also containing refrigerating and distributing units.

Toronto Island, a popular recreational place and summer community, is one of the few places where no motor or horse drawn vehicles are permitted. Here the pushcart and the bicycle are the mechanical means of locomotion and transportation, and City Dairy and its competitors thus are probably the only dairy companies on this continent which operate a pushcart fleet.

Many of Borden Brands Are Produced in Canada

There are many varieties of Borden products manufactured and distributed in Canada. In addition to the ice-cream, butter, eggs, and other dairy products distributed by the company's subsidiaries in Toronto, Montreal, Ottawa, Hamilton, Windsor and Niagara Falls, there are most of the brands which long have made the Borden name a household one in the United States and Canada.

CANADIAN MILK PRODUCTS, LTD., IS BIG FACTOR IN PROMOTION OF DAIRYING

Holding Company Supports Bureaus To Help Industry

Individual Units Benefit from Information Disseminated by Central Departments

RESEARCH WORK IS VITAL

Whole Trade, from Pasture to Consumer, Often Aided—Advertising Methods, Motor Transportation Also Studied

Like many another great company, the Borden Company maintains a research department. It has been said that an investment is not safe in a company which does not invest in constant enquiry into methods of production, operation and sales. No discovery is likely to displace milk as a food for human consumption, but there are frequent improvements in methods of handling and preparing milk and its products and the Borden Company by means of a comprehensive research department is a leader in this work in the dairy industry.

Benefits Whole Industry

The research department of the Borden Company conducts the most careful investigations into all activities in the dairy industry and, when a method or a product has been thoroughly proven and tested, the results are transmitted to all of the associated Borden companies.

Out of this department have come a great many developments which have been of great benefit to the entire dairy industry, including the dairy farm, and many have materially improved the operating results of the individual companies and of dairy farms everywhere.

The holding company maintains a number of other departments which, in their branches, are also important to the individual companies and often to the dairy industry.

One of these is the department of motor vehicle transportation. The horse still is supreme in the delivery of milk from door to door, especially in congested areas and, in a country with a small population such as Canada, it is not likely that the cost of motor-vehicle delivery will be brought down soon to a basis where it can compete with the ever-faithful horse. There are, however, many places where the dairy profitably can and does use motor vehicles, and the ice-cream business is almost completely motorized. Correct methods of motor-vehicle care and operation are being established by such enquiries as are conducted by the motor vehicle transportation department of The Borden Company.

Watches Economic Trend

The Borden Company also maintains a department of economics. This bureau is maintained for the purpose of watching carefully broad economic trends so that neither a business advance, a period of depression, nor any broad economic devedlopment may catch the parent company or the operating units napping.

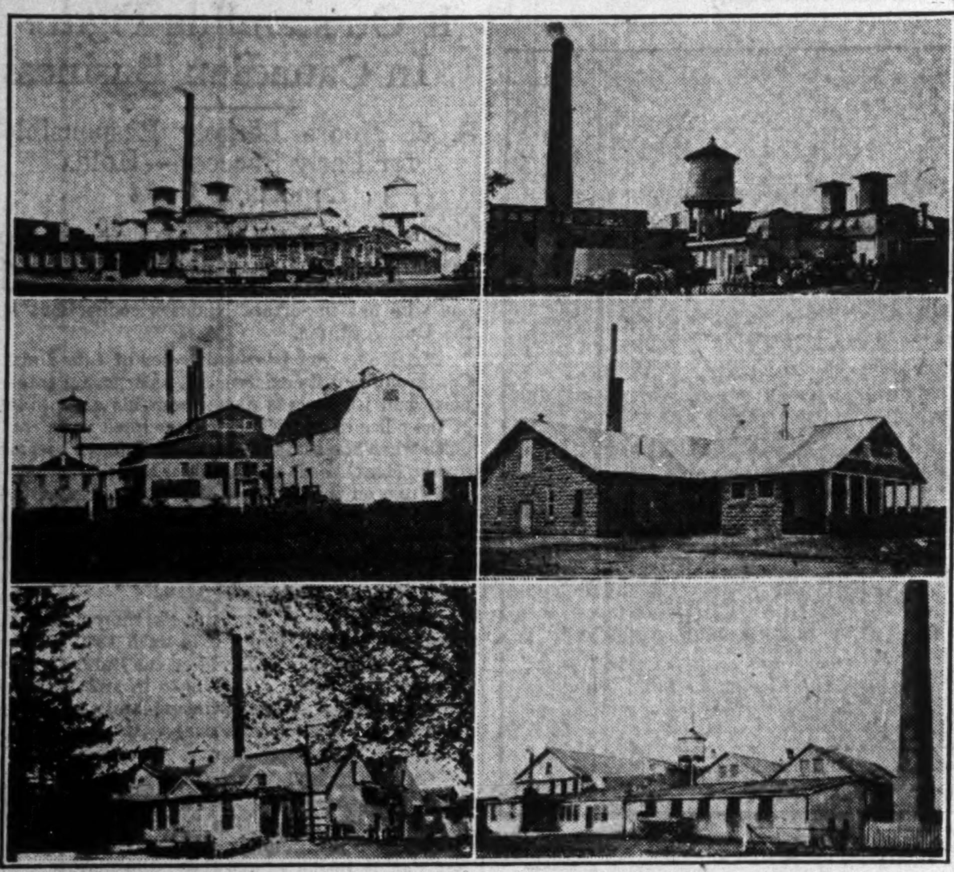
The general purchasing department is one of the means whereby The Borden Company benefits from having such a widespread organization. Standard supplies are contracted for by the general purchasing department but, of course, its existence does not mean that the individual companies do not make their own purchases as conditions in that company and the territory in which it operates dictate. One of the important functions of the central purchasing department is to serve as a clearing house for information as to sources of supply and prices for goods which are bought directly by the individual companies. It is self-evident, of course, that a purchasing department in New York cannot serve the Canadian field, so one of the purposes of the organization of a Canadian holding company will be to facilitate and co-ordinate Canadian purchases in Canada, in line with the Borden policy of maintaining Canadian management of its Canadian properties.

Advertising is Vital

The general advertising bureau of the parent company is another department which functions for the benefit of the individual companies. Here are developed campaigns on all milk products, and, of course, the national and continental campaigns are initiated and controlled although the direct benefit accrues to the individual companies marketing these brands.

Virtually all of the individual companies, especially the fluid-milk companies, whose operations are necessarily localized, have their own advertising departments and conduct their own campaigns throughout. But one of the important functions of the general advertising department is to examine all successful campaigns carried through by individual companies, and issue reports on the methods and character of media used, so that all the other companies in the Borden family may be familiar with the results and, if they wish, adopt the same means of promoting business if it is deemed feasible for their own territories.

Canadian Milk Products Operates Many Plants



Here are six of the plants of the Canadian Milk Products, Ltd., in Eastern and Southwestern Ontario. At the top left is the plant at Burford, the centre left is that of Russell and the lower left is at Hickson. The top right plant is at Belmont, that in the centre right is at Finch and lower right is at Brownsville.

Canadian Milk Products First in Great Business Promoting Dairy Industry

Thousand Farms Supply Fluid Milk Which is Converted Into Powder and Sold Throughout World as Klim and Other Forms of Dried Milk—Canadian Executives Average Fifteen Years With Enterprise Born in 1904

The business of Canadian Milk Products was founded by Benjamin A. Gould, of Toronto, in 1904. It was a pioneer in this business. Early in 1903 Canadian patent rights for what was known as the Just-Hatmaker or roller process of dry milk was purchased by Mr. Gould. A small cheese factory at Brownsville, Ont., was taken over and a number of drying machines imported from Scotland were installed and the first powdered milk to be manufactured in Canada in a commercial way was made there in the early spring of 1904. The business was not then incorporated but was owned solely by Mr. Gould and carried on under the name of Canadian Milk Products.

The fact that the process was not completely developed and that this idea of using milk in powder form was entirely new in Canada, made both the manufacture and sale of the product very difficult, with the result that the first few years were rather disappointing. However, it was established on a paying basis in 1907.

Spray Process Acquired

In the meantime new developments were taking place in the drying of milk and the Merrell-Soule Company of Syracuse, N.Y., developed the spray system which gave a much superior quality of dried milk for certain purposes. Mr. Gould felt that the future of powdered milk lay in the spray process rather than the roller process and consequently in 1908 entered into negotiations with the Merrell-Soule Company. As a result the business was incorporated in 1909 under its present name and the Merrell-Soule patent rights for Canada were acquired. The original plant at Brownsville was remodelled to manufacture under the spray system and from then on the growth of the company was rapid.

New plants were successfully established at Belmont, Burford, Hickson and Glanworth, all in the heart of Ontario's finest dairy district. During the War a tremendous demand was developed for the company's products, and, shortly after, the Russell plant was established a few miles south of Ottawa, Ont., and later the Government plant at Finch, Ont., was purchased. Several years later the large plant at Tillsonburg, Ontario, was acquired and the latest drying equipment installed. The Tillsonburg plant is now the headquarters covering production for all powdered milk operations, and the office of the general superintendent is located there as well as the engineering staff, complete control laboratories, and the packing plant for all domestic products.

The company now receives the milk production from over 1,000 farms surrounding its plants, which means that approximately 13,000 cows are milked daily to take care of the demand for powdered milk. This conveys some idea of the steady growth of the business and the large amount of money paid monthly to the Ontario farmers.

The engineering staff and the research laboratories have been constantly at work for many years developing improved methods of producing powdered milk. From the first stages, right back on the farm where the milk is produced, until it reaches the ultimate consumer in powder form, many steps in care, handling, manufacturing and packing are necessary. The result is that powdered milk products that are second to none are now produced in Canada and are shipped to all parts of the world. An affiliated company, Merrell-Soule Co., Ltd., maintains its own office in London, Eng., and considerable business is done with all parts of the British Empire as well as South American countries and China and Japan.

Employment Average Fifteen Years

Benjamin A. Gould retired a few years ago and the management now in charge is the same that assisted him in building up the pioneer powdered milk industry of Canada. The head office of the company is in Toronto. Sales branches are maintained in Montreal, Winnipeg and Vancouver.

The business of powdered milk is a highly specialized one and the company has a unique record in that practically all of the superintendents and most of the sales and accounting staff now with the company have been in its service for an average of fifteen years.

The principal products of the company are Milkstock, dried skim-milk, used extensively in the baking industry and for increasing the food value of numerous food products; Trumilk, a whole milk powder containing all the cream and used for milk chocolate, biscuits and confectionery; Trucream, sweet fresh cream dried, for high grade confectionery; Klim, a whole milk powder containing 28 per cent butterfat and when reconstituted produces a high quality liquid whole milk for all purposes where rich full-cream milk is required.

Only Water is Removed

Only the water is removed in drying and none of the vital constituents of the original milk are destroyed in any way. Klim is now packed under the new vacuum process developed by the company and will keep in excellent condition for a long period. Klim is shipped to tropical and barren countries where fresh milk is uncertain in quality or unobtainable, thus permitting the inhabitants, especially children, to secure this vital product in the best possible manner. Klim is also used very extensively in Canada and the United States for infant feeding as well as for domestic purposes.

Powdered Protein Milk and Lactic Acid Milk are two very important products developed by the company in co-operation with the Hospital for Sick Children, Toronto. They are used for the correction of intestinal disorders among infants and young children and are strictly milk products. The company is very proud of these two fine products as they are highly recommended by the medical profession and have been the means of saving the lives of many sick babies who could not assimilate milk in other forms.

Will Continue to Grow

Buttermilk powder, both spray and roller process, is produced for human consumption and for poultry and animal feeding. Fresh sweet cream is also an important product and is supplied to dairies and ice cream manufacturers. A few years ago a method of drying fruit juices in the same manner as milk was devised and a large business is done with Powdered Lemon Juice with the baking trade.

The powdered milk industry is a comparatively young one and the future can be considered as very promising. The technical service department of the company is finding new and greater uses for the various forms of powdered milk from time to time. This steady effort of increasing consumption throughout the world markets will eventually reflect greatly to the benefit of the Ontario farmers and the Canadian dairy industry as a whole because of the greater outlet for the milk produced.

Borden Publicity Has Always Been Factor in Success

1860 Advertisements Featured Original Product of Patentee

IS ONE OF BIGGEST USERS

Parent Company, All Subsidiaries, Great Users of White Space to Acquaint Consumers With Value of Products

Borden products daily are reaching new consumers by means of advertising. Good advertising and the excellence of the Borden products are retaining and extending the goodwill of the public wherever Borden products are marketed.

The Borden Company was one of the earliest just as today it is one of the largest of advertisers on this continent. The company has in its files displayed ads published in newspapers as early as 1860, when Gail Borden was selling condensed milk, sweetened and unsweetened, from a single wagon in New York.

Increased Investment From 1910

At that time, and, as a matter of fact, until the early '90s, Eagle Brand Condensed Milk was the only product advertised. This early advertising unquestionably was the cause of this product taking its place as the leading infant food of the country. Shortly after the company went into the evaporated milk business, advertising was started on this product. At that time, all Borden advertising was in newspapers.

The company first started to make a substantial advertising investment shortly after 1910. Campaigns were run in newspapers and magazines on both products, and the company took its place as a national institution. Appropriations were increased from that time, from year to year, until now major expenditures are made on practically all of the Borden products.

At first, Eagle Brand was advertised entirely as an infant food. During the World War, however, the sugar shortage gave this product a tremendous impetus as a milk for coffee and a general cooking product. Since that time, campaigns have been conducted on these two uses.

Malted Milk Campaign Great Success

One of the outstanding advertising successes of this company is its campaign on malted milk, which has brought this product within a period of five years to a position of leadership in the field.

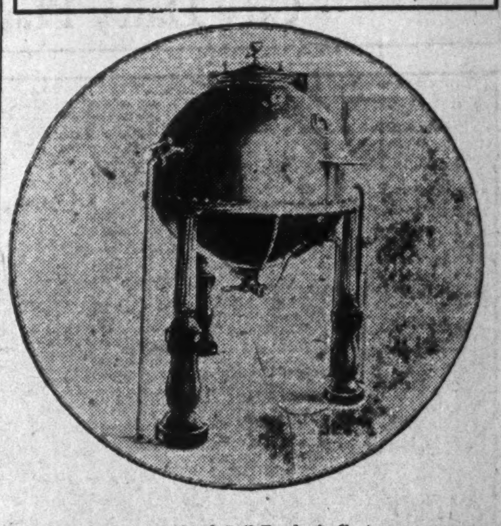
Many Borden subsidiaries, too, owe their prominence to advertising. The Merrell-Soule Company was one of the earliest of national advertisers, the products featured being None Such Mince Meat and Klim. The Thompson's Malted Milk Company advertised heavily and many of the new fluid milk and ice cream companies all have substantial local appropriations in their own markets.

Department Has Many Activities

It is interesting to note that Borden advertising takes many forms other than white space. The advertising department maintains an appropriation for health service, and another for baby welfare. In these activities, a staff of people at headquarters devote their entire time to disseminating information on all matters pertaining to the use of milk in infant feeding, child feeding and the nourishment of adults. They offer services to schools, professional people, etc., which, while they pivot around milk, cover all phases of nutrition and infant feeding.

Another activity of the advertising department is the Borden experimental kitchen. This kitchen is located in the Borden building in New York, and is completely equipped for the development and testing of recipes. Every recipe is tested here before it is used in advertising, and a great amount of research work is carried on to determine the best ways of using milk in modern cookery. A picture of this kitchen appears elsewhere.

Earliest Condensing Device



This is a photograph of Gail Borden's first vacuum pan for condensing milk. The basic principle of this process still is in use even in the largest plants. Gail Borden had great difficulty in convincing patent authorities there was any merit in this pan, with its vacuum principle.

Gail Borden Pioneer In Modern Methods For Preserving Food

(Continued from page 22)

from the International Exposition in London that he determined, if possible, to find a way to preserve milk. There were babies in that ship and all were sickly on the long voyage, due, it is believed, to the very inferior and scanty supply of milk from the trio of cows which were on board for the purpose of supplying fresh milk.

Anyone who wishes to know the story of an inventor who met, it would seem, all of the discouragements possible and yet who, in the end, succeeded in his purpose, should read the story of Gail Borden and condensed milk.

In the first place, he confronted many mechanical difficulties. It was before the enunciation of the germ theory, yet Gail Borden early discovered that any success he might achieve in the preservation of milk was primarily dependent on cleanliness and the absence of what he called "dirt" but which in this more scientific age would be known as bacteria.

He got clean milk for his experiments and, after repeated trials he perfected a vacuum pan for the condensation of milk. Vacuum pans previously had been used in the refining of sugar and in one or two other commercial processes, but Gail Borden believed that he had made a genuine discovery in applying the vacuum principle to the condensation of milk.

Patent Officials Sceptical

It took a long time for the United States patent authorities to come to his belief. Various officials contended that there was no more virtue in a vacuum process of condensation than in condensation in open pans. This official opinion led to a long argument which exhausted the resources—extremely limited in the beginning—of Gail Borden. And the official scepticism discouraged two partners in the enterprise whom Mr. Borden had interested.

Yet at last—in August, 1858—both the United States and the British patent offices sealed the patent on the Borden process of condensing milk.

Mr. Borden's troubles were not over. His remaining interest in the patents was problematical. His partners did not or could not keep promises of financial assistance necessary to develop the process commercially. There was a financial stringency in the country.

Despite all difficulties, Mr. Borden persevered. Other men, notably Jeremiah Milbank, were interested in the enterprise. A small factory in Connecticut began to produce condensed milk. Push-cart deliveries were made in New York City by the New York Condensed Milk Company. Success was on the way.

The original factory in Connecticut became too small. The American Civil War created a demand for condensed milk. Distribution of free samples in New York City demonstrated the merit of this pure product in competition with the inferior grades of milk which then—often adulterated with water—were distributed in the United States metropolis. A new and larger factory was built.

Expansion Becomes Swift

Mr. Milbank, whose assistance in the beginning had been moderate, but who, as a man of great business foresight and who had large resources, had seen the possibilities of the business, came forward with additional funds, with the result that the company grew rapidly in the decades following the Civil War. With the various notable expansions that came to the United States in the years following the Civil War, the New York Condensed Milk Company and affiliated companies, or the successor company, the Borden Co., expanded in New York State, in Pennsylvania, in Maryland, in the Middle West and 20 years ago came into Canada.

Today, the enterprise which started three-quarters of a century ago as a push-cart affair, carries its patents, trade marks and goodwill at a very moderate sum, $7,000,000, although their cost was in excess of $25,000,000, the difference having been written off. Its total resources are approaching $200,000,000. Its sales in 1929 were $328,000,000. Its capital reserves and surplus totalled $144,000,000 at the end of 1929. It paid in dividends in 1929, $10,000,000. It paid in income taxes in Canada and the United States in 1929, $2,500,000. Its net income before dividends, in 1929 was $20,400,000.

Such is the result of a humanitarian impulse in which a man with an inventive turn of mind persevered. Gail Borden's invention brought pure milk to babies who would not have been able otherwise to obtain it. It has added to the comfort and convenience of countless persons.

The history of Gail Borden and the vast enterprise as it exists today demonstrates the commercial value of an idea.

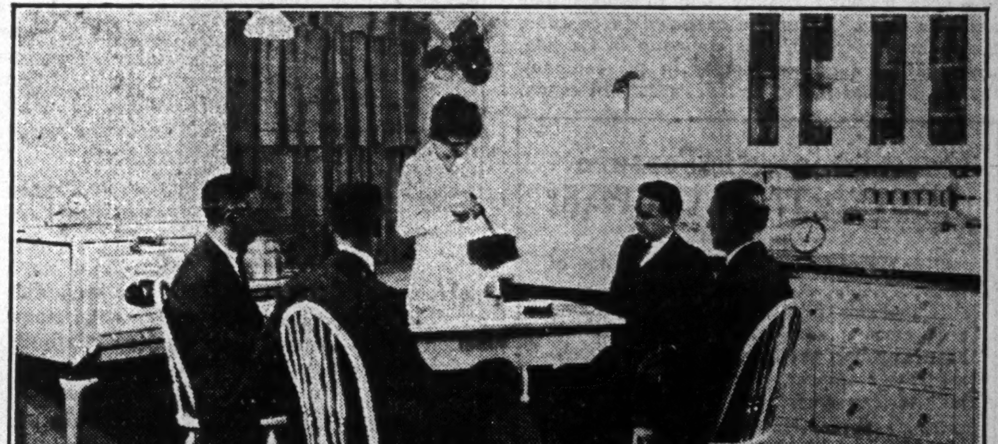
Borden Canadian Trade $15,800,000 in Last Year

Borden companies in Canada in 1929 had a gross business of $15,804,113, or four times the 1926 volume. In this period there were a number of acquisitions, but in each instance the business done was included in the Borden total only from the date acquired. For instance, the 1930 figures will show City Dairy only from September 19, the date of the formal transfer.

Following is the dollar volume of Borden Canadian business each year since 1925:

1925	$ 4,451,938
1926	3,882,990
1927	4,207,273
1928	9,279,445
1929	15,804,113

Borden Co. Maintains Experimental Kitchen



This is a view of members of The Borden organization waiting for the young woman to finish cutting the cake, which has been made in this model kitchen maintained by The Borden Company in the head office building on Madison avenue, New York, for the purpose of developing new recipes for and processes in the use of Borden products. Recipes are tested in every conceivable way before they are offered to the public and the ultimate and final test is, of course, the eating.

Halls Ltd. Winnipeg Factory Freezes Eggs

To the left is a general view of the storage warehouse showing the frozen eggs packed in pails ready for shipment. The picture on the right is of the staff breaking eggs preparatory to freezing.

Best Quality Brings Growth To Halls Ltd.

Market for Frozen Eggs, Sliced Boneless Chicken, Soup, Expands

BAKERS ARE BIG BUYERS

Frozen Product of Henneries Meets Favor Because Company Maintains Highest Standard of Selection

Halls Ltd., formerly of Lindsay but now of Toronto, with a factory in Winnipeg, joined the Borden family about a year ago, and now, for sales purposes, is affiliated with Canadian Milk Products, Ltd. I. H. Hall, who created this business and, with his two sons, is responsible for its growth since 1921, remains with the company.

Officers and directors are H. C. Pond, president; G. B. Levis, vice-president; A. T. Johnston, I. H. Hall and Ralph Ward.

Halls Ltd. products are chicken broth with rice, chicken soup, boneless chicken, sandwich chicken and frozen eggs.

Frozen Egg Market Grows

The market for frozen eggs since Halls entered this business has increased greatly because of the company's insistence on packing only first quality eggs. The market for frozen eggs is principally among bakers. The frozen products are superior to storage eggs and are purchased for use in seasons when fresh eggs are not obtainable. The packing of frozen eggs is done in the spring season, when eggs are at their best.

The canning of chicken is a branch of the business embarked upon to secure a diversity of output and a continuity of employment in the company's factory which was necessary to procure and maintain a trained personnel. The result is the Halls Ltd. contention that the standards maintained in packing eggs and in canning chicken are higher than the standards set by the government under the pure food regulations.

Halls Ltd. products have been advertised very little to the general public, which makes the success of the company all the more remarkable. It is the claim of the company that there is more of its boneless chicken sold in Winnipeg, than is sold of all brands in Toronto, although Toronto is a community of nearly three times the size of Winnipeg.

CONTROL TWO CHEESE COMPANIES

Chateau Cheese Co., Ottawa, manufactures and markets the famous Chateau Cheese and Belgo Cheese and probably soon will begin to make loaf and packaged cheese under the Borden and Lakeshire brands. The factory is at Ottawa.

Baumert Co., Ltd., Huntingdon, Que., makes Baumert's Cream Cheese and Baumert's Military Brand, as well as Camembert and other kinds of cheese.

Securities and Business

A weekly analysis of Canadian Business Conditions — complete and accurate news on Canadian securities — and comprehensive reviews such as this on the Borden Company — are features, amongst others, of THE FINANCIAL POST'S service to its subscribers.

Recognized by 24,000 important men who buy it weekly, as the leading and most valuable business and investment paper published in Canada, THE FINANCIAL POST invites you to use the coupon below to subscribe now yourself, so that you may have the valuable service which this paper will bring to you each week.

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Occupation ....

Address ....

MONTREAL BIRTHPLACE OF WIDESPREAD CANADIAN ACTIVITIES OF BORDEN'S

Canadian Borden Company For 28 Years Plays Part In Nation's Development

Plants Grew from One to Five in Twelve Years from 1902

SALES POLICY AGGRESSIVE

Consistent Advertising, Backed by Products the Quality of Which Constantly Improved, Brought Orders in Quantity

The Borden Co. Ltd. is a striking illustration of corporate growth following the establishment of a branch plant. The Borden Company of the United States had no manufacturing facilities in Canada prior to 1902. Twelve years later five flourishing factories were merged into a single entity under the management of a Canadian company, The Borden Co. Ltd.

Manufacturing activities of Borden's in Canada date from 1902. Up to that time all canned milk products of the company had been imported into the Dominion from the United States. Popularity of condensed milk was increasing rapidly and sales in Canada were such as to warrant Borden's establishing a branch plant in the Dominion.

Canada was growing. New railways were being built and large construction gangs had to be fed. Prospectors were pushing their way into new territory and the mining camps of Porcupine and Cobalt were springing to life. The trail of '98 to the Klondike had, it was said, been marked with empty tins of condensed milk. The commodity was essential to pioneers.

The St. Charles Condensing Co. had erected a new canned milk plant at Ingersoll in 1900. Borden's acquired the company two years later and it was at Ingersoll that the Eagle Brand of condensed milk was first made in Canada. The plant also manufactured the product of the old company which was known as St. Charles Brand Evaporated Milk. Substantial additions were made to the Ingersoll plant after its acquisition by the Borden Co.

Output Marketed by Dunn

Marketing of the output was undertaken entirely by William H. Dunn, of Montreal. Mr. Dunn has been identified with the Borden activities in Canada ever since 1902, and is still the leading figure in the distribution of Borden condensed milk products in Canada.

From the time manufacturing was started in Ingersoll, steady progress was made. William Dunn still speaks proudly of the day when the first carload order was placed in 1903; up to that time an order for five cases was considered a fair-sized sale.

The sales staff, according to Mr. Dunn, worked unceasingly. Advertising campaigns were instituted. New territory was covered. The carload order was duplicated, this time by a repeat order on the telephone. Sales took a definite upward trend and the capacity of the Ingersoll plant began to be taxed.

Open Tillsonburg Plant

Accordingly, six years later, another unit was opened at Tillsonburg. This was in 1908. The new unit embodied many modern ideas and represented a definitely forward step in production. Output was increased but sales still kept ahead of production.

A third plant was opened at Norwich, manufacturing Eagle Brand milk exclusively. While this trio of plants were being developed in Ontario, negotiations were in progress for expansion in Nova Scotia. The result was that in 1912, Borden's purchased the Truro Condensed Milk Co., whose plants were located at Truro, N.S., and Huntingdon, Quebec.

Borden's now had a big stake in Canada. Units were in operation in the Maritimes, Quebec and Ontario. Sales were showing marked gains from year to year, and it became clear that the child of 1902 had become strong enough to look after itself.

Form Borden Co. Ltd.

Thus The Borden Co. Ltd. was formed in 1912. This is the Canadian company which merged the condensed milk activities of Borden's in Canada into a centralized Canadian company.

Further sales expansion was under way. In 1911 Mr. Dunn made his first trip to Western Canada and his experience showed that there was room for further activity in that part of the country. The first trip brought a harvest of sales including one single order for twenty carloads of condensed milk.

Accordingly, in 1916, Borden Co. Ltd. purchased the plant and business of the British Columbia Condensed Milk Co. at South Sumas. The company now has production plants located at strategic points throughout Canada, ranging from Nova Scotia to the Pacific coast. In twenty-eight years the business has grown from production of a few hundred cases a month to thousands of cases a day. The reason is due to what may be considered obvious causes, which, however, are often easier to state than to put into effect. The product is good; the standard of quality has been maintained; sales policies are aggressive and unceasing. Borden's introduced new ideas into the business and they have been doing it ever since.

Practise Dairy Inspection

Borden's was the first company in Canada to practise dairy inspection. At its Ingersoll plant a crew of inspectors was appointed to check up sanitary conditions in the dairies which supplied the company with its milk requirements. Borden's purchases of milk are large and the activities of the canning plants have played an important part in the life of the neighboring agricultural district.

In addition to dairy inspection, a system of herd inspection and cooling of milk was inaugurated. These precautions have been further developed and this innovation of thirty years ago, has been a vital factor in the past and present operations of the company.

To assure itself of a large supply of pure rich milk, Borden Co. established a number of receiving stations in the choicest dairy section of Canada. To these points farmers bring their milk, the standard and quality of which is protected by the inspection system.

Operates Four Plants

The canning plants today are located at Ingersoll, Norwich, Truro and South Sumas. The condensed milk plant at Huntingdon was closed some time ago.

The tin can requirements of all these plants are supplied from a large unit at Ingersoll.

This can factory of Borden's is one of the largest tin shops in Canada. Here hundreds of thousands of cans are turned out daily and shipped to all the company's milk plants throughout Canada. Though output has been increased from time to time it is not quite large enough to supply all demands and Borden Co. still makes some purchases in the open market.

With this picture of Borden's activities in Canada, it is not difficult to realize the part the company has played in industrial and agricultural life. Its receiving stations provide a ready market for large supplies of milk from adjoining farming districts. Its canning factories are an integral part of the industrial life of the communities in which they are located.

Has Grown With Canada

The company has grown with Canada. It is not an exaggeration to say that it has played an important part in the development of Canada. For the canned milk products of Borden's have gone forward with the pioneers of the country. Borden's condensed milk has gone forward with the construction gangs as they have laid tracks into formerly inaccessible places in Canada. In lumber camps, in mining camps, up in the Arctic,—in all places where ordinary supplies of food are not available,—Borden's has provided that most necessary commodity—milk.

Borden Trade in Canada Dates Back 30 Years

Borden products were first introduced into Canada in 1900 when William H. Dunn of Montreal was appointed broker for the purpose. In 1912, the Borden Milk Co., Ltd., was incorporated as a subsidiary of the Borden Co., with Mr. Dunn in charge, to handle all the Borden products.

Reindeer, Ltd., owners of the Pioneer Condensed Milk Factory in Canada (established as the Truro Condensed Milk & Canning Co. in 1882) and the St. Charles Condensing Co., (established 1899) were absorbed also in 1912. The corporate name was shortened to the Borden Co., Ltd., in 1923.

The Borden Co., Ltd., manufactures and sells practically all products manufactured and nationally distributed by the Borden Co. in the United States, including: Eagle Brand Condensed Milk, Household Brands of Condensed Milk, St. Charles Evaporated Milk, Eagle Brand Malted Milk, Meadow Brand Malted Milk.

In addition, the Borden Co., Ltd., makes and distributes Reindeer Brand Condensed Coffee, which is a combination of full cream, condensed milk and concentrated coffee, and Canadian cheese.

Borden Project With Fluid Milk Meets Success

Farm Products Co. in Montreal One of Important Dairies There

STARTED WITH TEN WAGONS

Company Now Draws Eggs, Butter Supplies from Both Quebec and Ontario Agricultural Districts

Borden's Farm Products Co., Ltd., a dairy company which has served Montreal for the past seventeen years, had its beginning in the mind of William H. Dunn. Mr. Dunn had been acting as distributor for Borden preserved milk products since 1902. He had achieved success and was firmly convinced that a fluid milk company under the direction of Borden's, would thrive in Montreal.

There were several difficulties encountered before the project could be brought into operation. Finally, in 1913, Borden's Farm Products Co., Ltd., came into existence and a modest fleet of ten milk wagons made its appearance on the streets of Montreal.

Sold Special Milk

There was an original idea behind Borden's Farm Products. It was proposed to sell a specially high-grade bottled country milk, which sold at a premium of 1 cent a quart. The Huntingdon plant of Borden's was used for this division, and the fresh milk was received and bottled at this point.

High costs of freight on shipments of bottles between Montreal and the Huntingdon plant, however, were considered excessive, and it was soon decided to operate a bottling plant in Montreal. A new bottling unit was erected forthwith and business showed a rapid growth. Borden's Farm Products has grown from a small unit to one of the largest dairies in the city.

The company started business in 1913 at zero. It has never purchased a single quart of bottled milk. What it is today is the result of its own initiative; it has, through aggressive policies, built up each department and increased its scope.

Operates Receiving Plants

Borden's Farm Products draws its milk supply from the rich agricultural districts of Quebec and Ontario. Two receiving plants are operated; one at Ormstown, Que., and the other at Maxville, Ont. Ormstown is about 45 miles from Montreal and Maxville about 75 miles from the metropolis.

To these central receiving points is shipped milk from the farms in the surrounding territory. Borden's purchases all its bulk requirements; it does not operate any farms of its own. The increasingly large demands of Borden's have had a definite bearing on the agricultural districts from which it draws its supplies.

The fresh milk, as it arrives at the receiving plant, is promptly placed in refrigerator cars and shipped to Montreal. It is well to note here that the handling of milk, from the moment it is received by the company to the time it is delivered in bottled form to the customer, is undertaken in the most modern manner.

Is Pasteurized Immediately

After the milk is shipped from the receiving stations in Ontario and Quebec to Montreal, it is delivered to the pasteurizing plant and is processed immediately. In this unit the latest equipment is used and the pasteurizing of milk is carried out with the greatest care.

Once milk is pasteurized it is never touched again by human hands until after delivery to the customers, insuring absolute cleanliness in all departments. After pasteurization the milk passes to the bottling room and the bottles are filled and sealed, but the work is all done by machinery.

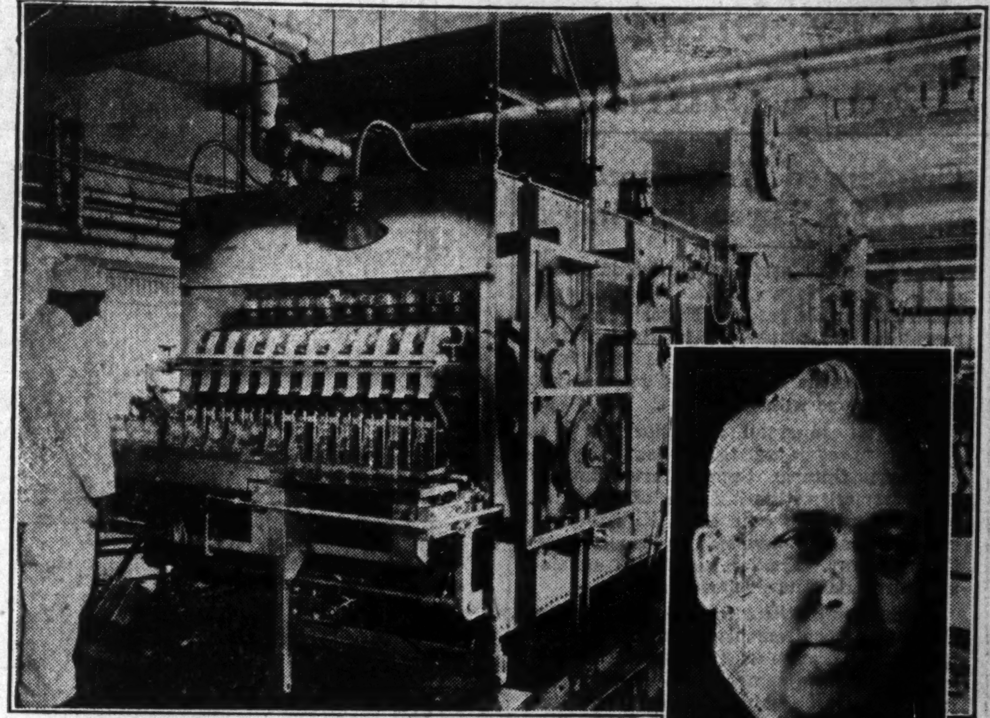
A new bottle washing machine—the only one of its kind in Montreal—has been recently installed. This equipment represents a most advanced step in dairy machinery and is capable of handling 120 bottles a minute.

Bottles, before they are filled, are cleaned to a degree which would probably amaze the average housewife. No less than 22 minutes is required for the cleaning process of each bottle. Bottles are washed, rinsed and sterilized, until all possible chance of dirt or infection is eliminated.

After the milk is bottled and sealed it is shipped to two main distributing points in Montreal. Borden's Farm Products maintains the two stations at strategic points in the city and milk wagons make their start from there to deliver products to the customers.

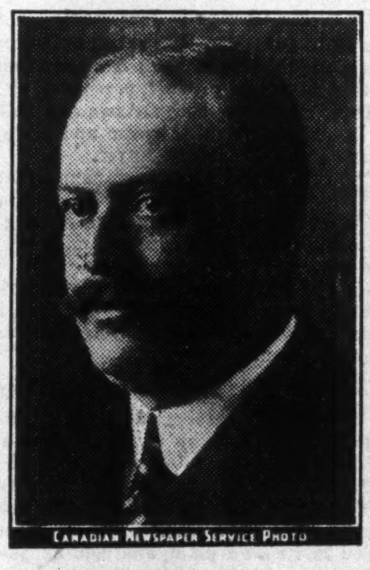
In addition to milk, Borden's Farm Products as its name implies, sells eggs, butter and cream. The growth of the company has been steady. Distribution has been increased in all divisions and plants and equipment have been improved.

Here's Latest Type of Bottle Washer



This is a view of the newest machine installed in the plant of the Borden Farm Products Co., Ltd., Montreal, the only device of its kind in that city. The machine is capable of handling 120 bottles per minute. City Dairy, Toronto, also has installations of this kind of machine. Inset is a photograph of E. H. Conklin, general manager of the Borden Farm Products Co., Ltd.

Identified With Borden



WM. H. DUNN.

Assistant Secretary of The Borden Co. Ltd. Mr. Dunn has been closely identified with Borden activities in Canada for the past thirty years.

Condensed Milk Is Just Milk and Sugar

Condensed milk simply denotes milk from which a considerable portion of the water has been removed, and to which sugar has been added.

In the process, milk is rapidly heated to effect destruction of bacterial life; refined sugar is added; and the milk is condensed in a vacuum until 2½ parts of whole milk are reduced to one part of sweetened condensed.

Evaporated milk is unsweetened condensed milk. It is condensed without sugar. In the process, the milk is forewarmed, condensed under vacuum and, before cooling, homogenized. It is then sterilized in the can.

There are several processes for producing dried or powdered milk. The process developed in England in 1855 was simply to evaporate the water under heat and the resultant powder is the dried milk.

William H. Dunn Once Sole Agent For Borden Milk

Canadian Distribution Always Has Been in Hands of Montreal Man

William H. Dunn is the pioneer of Borden activities in Canada. He has seen individual sales grow from one case orders to five case orders, and from one carload to twenty carload lots.

Perhaps it is his continuous association with the product which he handles that enables Mr. Dunn to stay young. He is still fired with the same enthusiasm which spurred him on in the days when Bordens was starting operations in Canada. He still recalls his first big order with unrestrained pleasure.

William Dunn was selling unsweetened evaporated milk for the St. Charles Condensed Milk Co. in 1900. When that company was acquired by Bordens in 1902 Mr. Dunn remained as agent for St. Charles and Borden brands. He has been actively engaged in distributing Borden products to this day.

He is vitally interested in the growth of Bordens in Canada. It was largely through his initiative that Borden's Farm Products was formed in Montreal seventeen years ago. From a small beginning this company has grown to be one of the leading dairies in Montreal.

William Dunn has seen one Borden factory opened after another. He witnessed the formation of the Borden Co., Ltd., in 1912, which merged all the Canadian operations of Bordens at that time into one company. Headquarters of the company are in Montreal.

William Dunn was born in Montreal and has lived there all his life, but he has the soft voice of the south. He recalls an incident in the past with a slow smile which expands as the story progresses.

He says: "I made my first trip to the coast in 1911. Sales of Borden products were growing rapidly; I was determined to make the trip a success. My ambition was to come back with the largest order ever placed in Canada for preserved milk. I wasn't disappointed either. The Kelly Douglas Co., wholesale grocers in Vancouver, bought 10,000 cases of condensed milk, that's equal to 20 minimum carloads. At that time this constituted the largest order for domestic consumption ever placed in Canada."

In the early days, distribution was not so easily arranged as it is now. William Dunn had the usual difficulties which confront an agent handling a comparatively new product. He was once the sole member of the sales staff; the rapid growth of The Borden Co., Ltd., is a clear reflection of his faith in an organization which has progressed with Canada.

Condensed Milk Sales in Canada Well Maintained

Montreal Headquarters Directs Borden Distribution for Whole Country

ADVERTISING CONSISTENT

Baby Welfare Department Distributes Much Literature With View of Promoting Health of Infants

Production of the four condensed milk factories of the Borden Co., Ltd., is marketed through the company's sales organization working out of Montreal. Originally, Borden products were handled by Wm. H. Dunn, who succeeded in building up a strong demand for the output of the first plants owned by Bordens in Canada.

Progress was steady and the requirements of the trade showed continual growth. New factories were added to the Borden chain in Canada and in 1912 all existing plants were merged into the organization known as the Borden Co., Ltd., with head office in Montreal.

The Borden Co., Ltd., which comprises milk preserving plants at Truro, Ingersoll, Norwich and South Sumas, does not sell to retailers. All distribution is made to the wholesalers, jobbers and chain stores; a well organized sales force is engaged in a ceaseless search for new outlets for production.

All advertising of the Borden Co., Ltd., is handled in Montreal. The company has built up the large demand for its condensed milk products by an aggressive advertising policy which plays a vital part in sales.

In Montreal is located the Baby Welfare Department, which has been instrumental in stimulating and consolidating the wide demand for condensed milk. Since 1857 Borden has been advocating the use of canned milk as a food for babies; since the formation of The Borden Co., Ltd., in 1912 this department has been administered, as far as the Canadian end of the business is concerned, in the Montreal office.

Thousands of booklets are dispatched from this department each month to all parts of Canada in response to enquiries emanating from advertisements. These booklets comprise a wide range of literature which represents the most modern and painstaking research into infant welfare.

Hold Favorable Locations

The geographical distribution of the plants of The Borden Co., Ltd., enables shipments to be made with the utmost expedition. Plants in the Maritimes, Ontario and British Columbia allow full coverage of the Dominion. As orders are received they are allotted to the plants serving that particular district.

The Borden Co., Ltd., is not without competition, but this Canadian company, which is closely identified with the industrial and agricultural life of the communities in which plants are located, has grown to its present status as the result of sound policies and aggressive merchandising methods.

Its foundation rests on a solid base, its association with The Borden Company of the United States makes for greater strength; its future is bound up with the future of Canada.

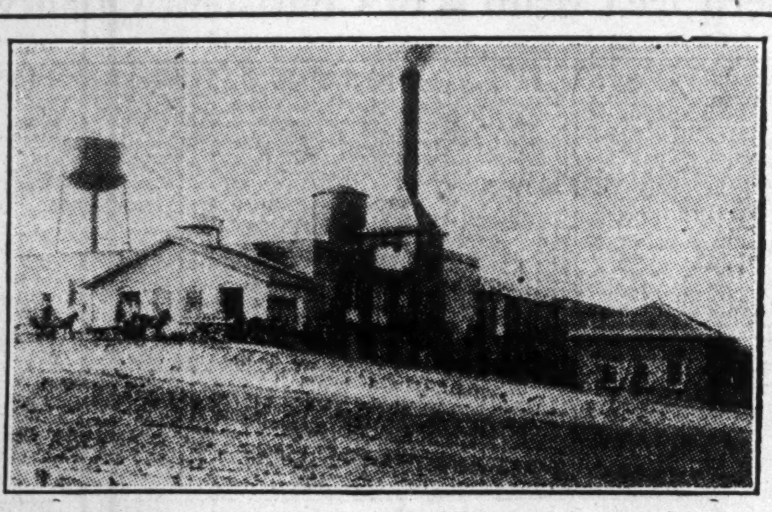
Dairy Companies Buyers Of High Class Horses

Dairy companies in larger cities are one of the principal markets for horses suitable for delivery purposes, and City Dairy, Toronto, is a company which always has prided itself on the quality of its horses. Every year it has met with considerable success in the great annual shows, such as the Canadian National Exhibition and the Royal Winter Fair, both for single horses and teams.

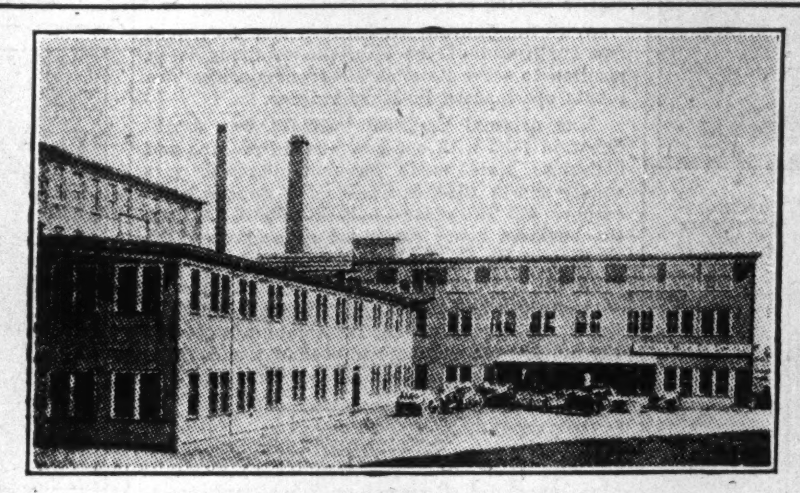
Good horses are a necessary investment, for some of the horses must travel from 15 to 20 miles per day several days a week.

A Percheron owned by City Dairy was once taken on a 3,000-mile trip by the Dominion department of agriculture to show Canadian farmers what horses to breed for use by milk dealers.

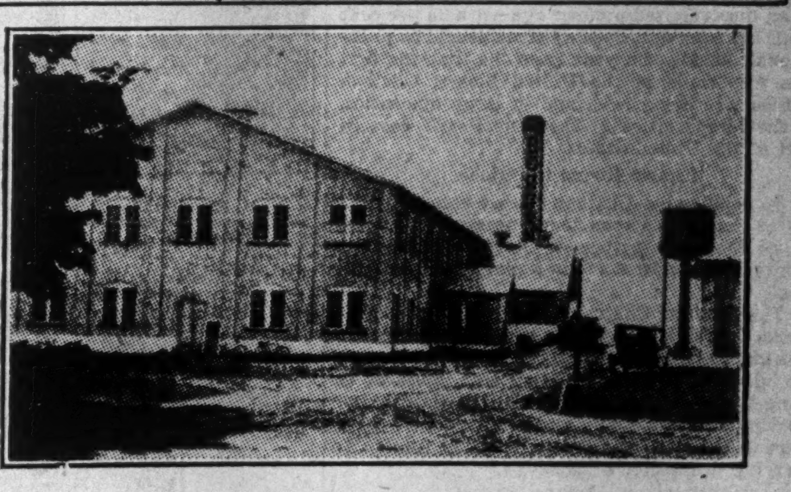
Borden Subsidiaries Operate Plants in Centres of Fine Dairy Districts



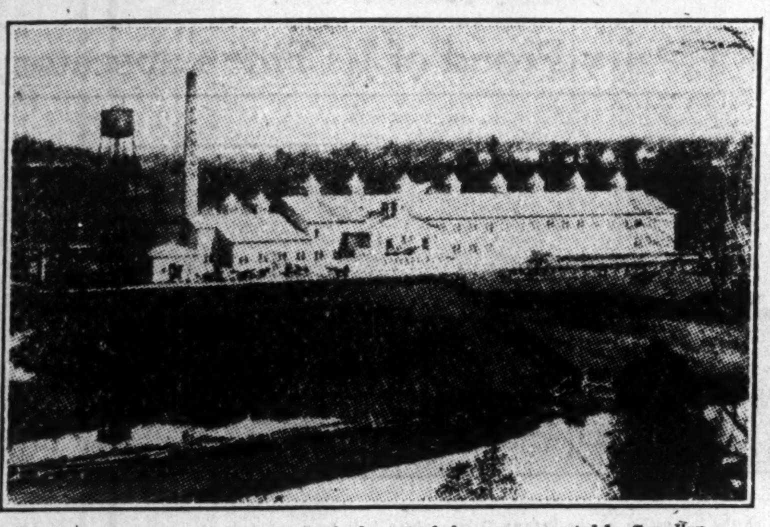
The Ingersoll (Ont.) plant of the Borden Co. Ltd. is one of the most modern of condensaries.



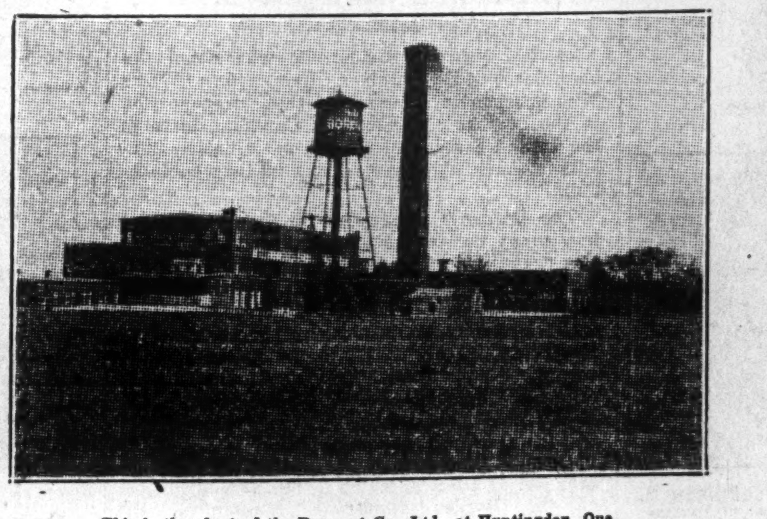
This modern plant at Truro, N.S., is on the site of the first condensed milk plant in Canada, which began operations more than 50 years ago.



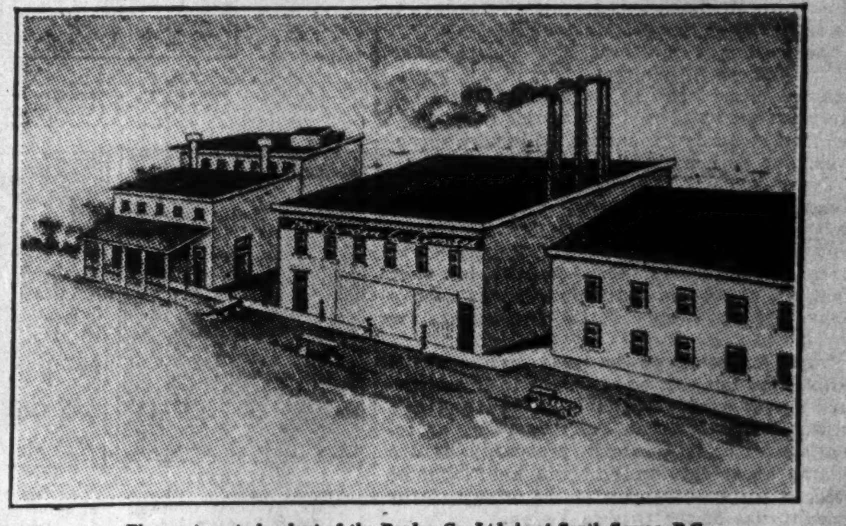
Norwich, Ont., also is a modern plant operated by the Borden Co., Ltd.



This plant, at Tillsonburg, Ont., is the largest of the group operated by Canadian Milk Products, Ltd.



This is the plant of the Baumert Co., Ltd., at Huntingdon, Que.



The most westerly plant of the Borden Co. Ltd. is at South Sumas, B.C.

OTTAWA VALLEY AGRICULTURE STRENGTHENED BY CHATEAU CHEESE, DAIRIES

Chateau Cheese Achieves Success from Very Start In Many Far Countries

Demand Grows in Germany, India, Central America and Elsewhere

MAKES CONTINENTAL MARKE

Markets Conquered Easily on Several Continents—Fame of Canada Spread by Advertising

Five years ago, Chateau Cheese was being made in an experimental way in a small corner of an Ottawa creamery. The Chateau Cheese Co. had not been born. The product was unknown to the trade or the public.

Today it is known on every continent. It is sold on a nation-wide scale in both Canada and the United States. It has penetrated to the interior of China; it is sold in such distant places as India, Central America and the West Coast of Africa. It has a following in European lands that are so famous for their own cheese that one might think no foreign cheese could be sold there. The story of Chateau Cheese is an amazing romance of rapid success in modern manufacture and merchandising, an absorbing story of Canadian enterprise and sales ability.

Chateau Cheese Co. of Ottawa is an important link in the Borden chain of Canadian enterprises.

Avoid Waste in Packaging

To C. H. Labarge, founder and present active head of the Chateau Cheese Co., is due the credit for the perfection of the product, which, from a humble beginning has risen to a point of enthusiastic acceptance in every civilized country in the world where cheese is known. Mr. Labarge, still a young man, has been active in connection with the dairy and produce business all his life, and early in his experience he was impressed with the wasteful and unattractive manner in which cheese was manufactured and packed. It was with a view to placing before the public cheese in a form more pleasing to the palate and packed in a less wasteful manner, that Mr. Labarge, a few years ago, began a series of experiments that resulted in the manufacture of Chateau Cheese.

Associated with Mr. Labarge in his experiments was his brother, Simon Labarge, who is today responsible for the actual manufacture of the product.

Spread as Well as Slice

At the time Chateau Cheese made its début into the market, there were available for purchase several other brands of pasteurized cheese, and while they were a decided improvement over the old type of Cheddar cheese, their chief claim for acceptance by the public was that they were packed in convenient sized packages. In Chateau Cheese, the public was given a product entirely different from anything presented to them before. Chateau Cheese retained all the well-known qualities of a Canadian Cheddar cheese, with the additional quality that it would spread as well as slice.

The Chateau Cheese Co. was a pioneer in the marketing of cheese in half-pound packages, and for this purpose had special machines built in Switzerland, which enabled it to turn out cheese in half-pound packages at very little extra cost over the old style five-pound box and with the added advantage that the process was purely mechanical. The cheese did not require to be touched by human hands from the time the process started until the boxes slid down the chute to the delivery wagon.

First Breaks Into Germany

Chateau Cheese was not a year old before it began to find a definite market in foreign countries. It is highly significant that this new type of cheese, made in Canada, should have made its export début in the land famous for good cheese, Germany. In its bid for world business the company was fortunate in possessing the services of H. D. Marshall, who joined the organization as director of sales when the company was formed.

Mr. Marshall, for a number of years has been and still is carrying on a successful importing and exporting business on general food stuffs. After satisfactory distribution had been obtained in Canada, Mr. Marshall was able to give to the Chateau Cheese Co. the benefit of his experience in foreign markets, with the result that inside of two years Chateau Cheese was on sale in Great Britain, Germany, France and the Balkan States, in Europe, and in a number of other countries in the Orient.

The next field of operations was the United States, and the success obtained in this market by an unadvertised product against a 25 per cent tariff has been described by some people as phenomenal. Inside of a year from the time the first sale was made in the United States, Chateau Cheese was being sold, and in large quantities, in the larger cities in the central and eastern part of the United States.

Known Round the Globe

So popular has Chateau Cheese become in the States that it has been found necessary to commence the manufacture of the product in that country. It is now made in a plant in Plymouth, Wis.

The familiar Chateau Cheese package—a reproduction of it appears in every advertisement—is known across Canada. But it appears also on the bill boards of Havana, on street car cards in Hong Kong, in shop windows in the Balkans, in markets in India. It is an ambassador of sales from the capital of Canada, silently, forcefully carrying a message of goodwill.

Builds Wealth for Canada

In 1929 Borden's purchased the enterprise together with Mr. Labarge's associated companies. The organization that put Chateau Cheese across as the aristocrat of cheese, that helped make Canada famous in different parts of the world, remained intact. Mr. Labarge still directs the enterprise and at 44 sees new worlds to conquer. There are still a few countries, still many housewives, who do not know Chateau Cheese.

Every pound of Chateau Cheese sold in a foreign country means not only employment for the large staff of workers in the Chateau Cheese plant, not only business for the manufacturers of cartons, tin foil, boxes, labels, etc., etc., but most important of all—an outlet for Canada's dairy products, which means wealth and success for the farmer.

This "miracle" of business has occurred within a span of years so short as to justify the use of that word. Growth continues and this Borden Canadian unit is daily becoming an increasing factor in Canadian prosperity, in the building up of our foreign trade, and, let it be noted, in the enhancement of the wealth of the agriculturists of the Ottawa Valley.

Condensed Milk Comes From Three Provinces

The fine milch herds of the rich dairying districts of Nova Scotia, Ontario and British Columbia provide the basic requirements for the plants of The Borden Co., Ltd. In establishing condensed milk factories in Canada the company selected its plant locations with great care.

Units at Ingersoll and Norwich are centred in some of the finest dairying country in Ontario. Supplies are obtained from farmers within a radius of approximately 7 miles of each unit. Milk is purchased from farms which are inspected by the company. Similar conditions obtain at Truro and South Sumas.

Production of these four plants supplies the major requirements of the Canadian market. Operation of these factories enables milk from some of the finest herds in Canada to be shipped to points in the Dominion which are thousands of miles from the nearest source of milk supply.

Laurentian Co. Makes Progress With New Milk

Homogenized Product Finds Favor in Ottawa Households

In April, 1927, C. H. Labarge, who organized the Chateau Cheese Co., formed Laurentian Dairy, Ltd., which was the first company in Canada to apply the homogenizing principle to pasteurized milk for domestic use. The company has met with considerable success in the Ottawa district.

Homogenization breaks up the fat globules in the milk so that there is no "cream line" in the bottle. The company, in its advertising, used such slogans as "There is cream in every drop of Laurentian milk," "The milk with the cream in it," and "You can whip our cream but you can't beat our milk." The energetic advertising campaign had much to do with the success of the company which today operates 32 routes in Ottawa and Hull.

No Change in Personnel

This up-to-date dairy was acquired by Borden's in 1928, and has been carried on without any important change in product, personnel, or methods. Their rigs cover both Ottawa and Hull, and carry in addition to milk, cream and buttermilk, the Fern Brand creamery butter.

At the retail store of this company, located on the popular market place of Ottawa, can be seen a line of customers enjoying a refreshing glass of buttermilk or a dish of ice cream, at all hours of the day.

Back of Laurentian Dairy is another chain of prosperity from the 125 milk shippers in the Ottawa Valley from whom it purchases its fluid milk requirements.

Meadow Milk Products is Subsidiary

A subsidiary enterprise is Meadow Milk Products. This company was organized shortly after the dairy came into being. It buys whole milk from producers, surplus milk from Laurentian Dairy and buttermilk from Moyneur Co-Operative Creamery, all of which are condensed or dried in its own plant and sold as powdered whole milk, powdered skim milk, buttermilk powder and condensed buttermilk.

Meadow Milk Products forms a valuable link between the different Borden enterprises in the Ottawa Valley, and in addition to manufacturing milk products, aids in absorbing surplus milk, which at certain times of the year would otherwise be sacrificed.

C. H. Labarge is president and general manager of both companies, and Albert Robinson is the superintendent in charge.

Created Chateau Cheese

C. H. LABARGE, who experimented in a cellar until he found a formula for the now famous Chateau Cheese, which is sold in many countries, including Canada and United States.

Are Executives in Ottawa

H. D. MARSHALL, sales manager of Chateau Cheese Co.

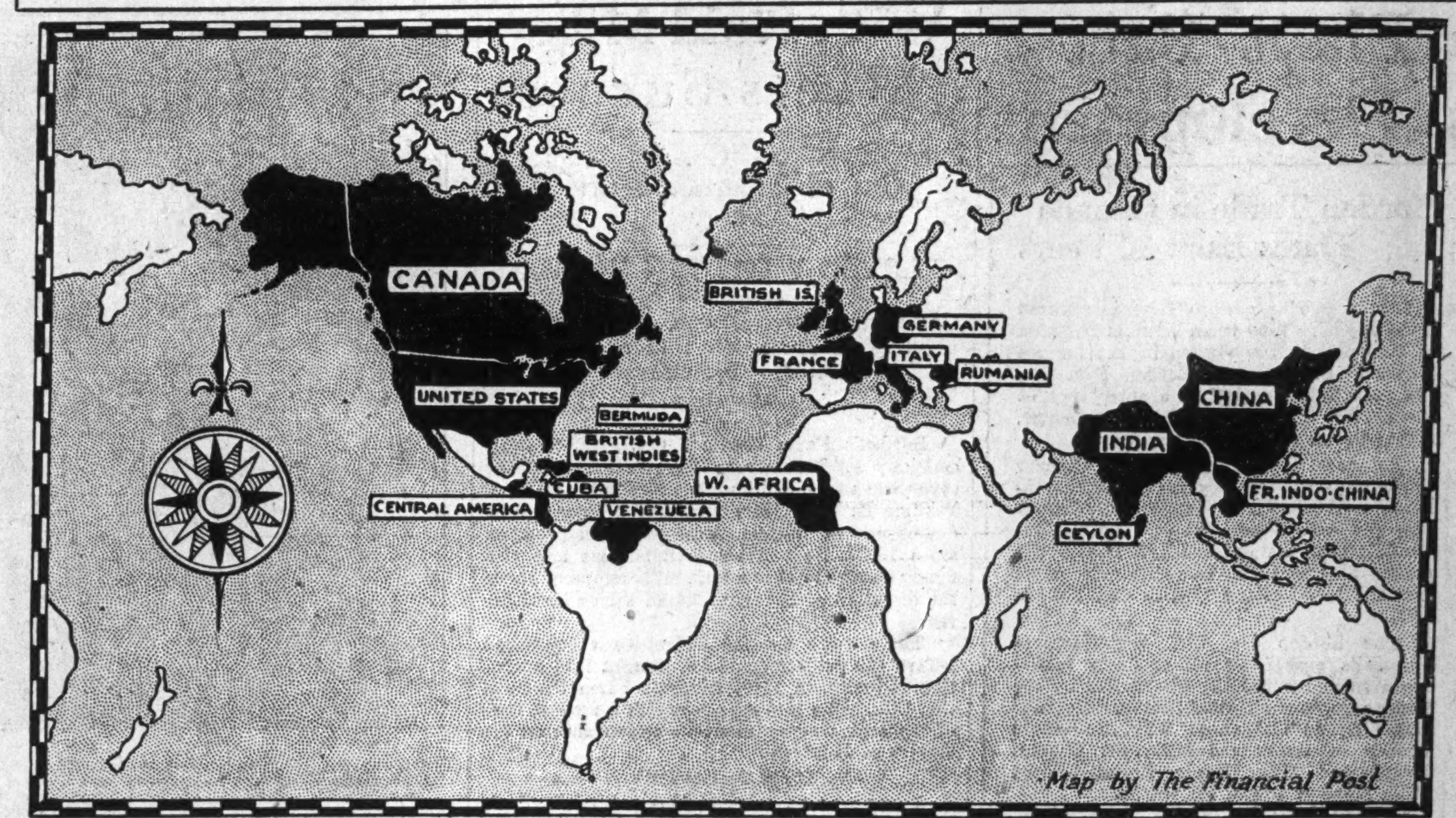
J. A. E. COWLEY, in charge of operations Moyneur Creamery.

S. C. LABARGE, in charge of manufacture of Chateau Cheese Co.

W. F. JONES, general manager, Ottawa Dairy, president Cornwall Dairy Products Ltd.

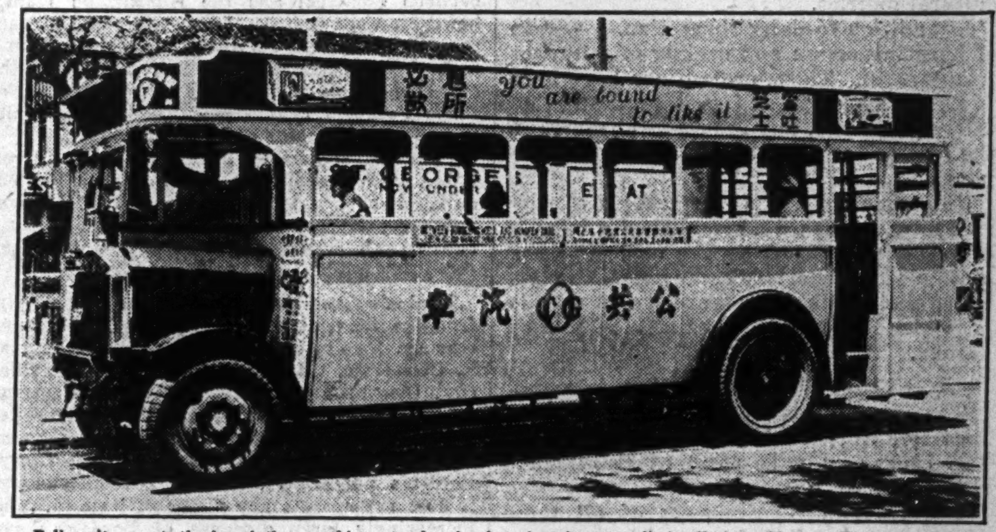
ALBERT ROBINSON, superintendent of Laurentian Dairy Ltd.

Chateau Cheese is Sold in Many Countries



The Ottawa factory of Chateau Cheese Co. has been sen ding Canadian dairy products to the countries shown in black on this map.

How Shanghai Learns About Canada



Believe it or not, the inscription on this motor bus in the oriental metropolis is all about Chateau Cheese, a product of Ottawa.

Moyneur Co-operative Creamery Earliest of Labarge Enterprises

Moyneur Co-Operative Creamery, of Ottawa, is an institution of considerable importance to the farmers of the Ottawa Valley. It is one of the largest creamery organizations in Canada, and takes the output of 3,500 shippers, many of whom have been sending their milk and cream to the company ever since it started in 1922.

C. H. Labarge, founder of Chateau Cheese Company and Laurentian Dairy, was the founder of Moyneur Co-Operative Creamery, and in fact the latter company may be regarded as the parent from which the other and more widely-known children sprang. The company was organized in 1922 to manufacture butter, and to deal in eggs, poultry and cheese. It also operates a cold storage plant for the benefit of its egg business, which is also one of the largest in Ontario. One million pounds of butter were manufactured the first year this company operated, and its constant growth from that time has given it the leading position it holds today.

The company carries on considerable educational work among its shippers, both as regards the production of cream and eggs. This close co-operation with the producer encouraging the use of up-to-date methods, is responsible for the standard of quality the company's products are known for. This company's butter exhibit last year won no less than three first prizes at the Royal Winter Fair at Toronto, and the same year their egg displays at the Central Canada Exhibition and Ottawa Winter Fair made a clean sweep of all prizes.

The company sells direct to the retail trade, and acts in the capacity of distributors in the Ottawa district for the Chateau Cheese Company, Ltd., and the Baumert Co., Ltd.

C. H. Labarge is president and general manager of the company, and J. A. E. Cowley, experienced produce and creamery operator, is in charge of operations.

City Dairy Laboratory Equals Any in Industry

As in every other department, the City Dairy, Toronto, laboratory is as fine as any in the dairy industry in any country. Here are tested each day, a few minutes after receipt, every can of milk received from the country and here are made elaborate tests of products, with the object of maintaining and constantly improving the goods which are sold to the public.

Nearly 100,000 practical tests are made each year in this laboratory.

Dr. E. W. Hammond, chief chemist of City Dairy, has been with the company for 30 years.

Caulfields Ranks High Among Co's Serving Toronto

$2,000,000 Business Has Grown from One-Cow Firm in 1888

The Borden Company's entry into the fluid milk business in Toronto and environs took place in the first half of 1929 with the acquisition of S. Caulfield & Sons, Ltd., operating a dairy in the west end, and the affiliated Caulfields Dairy Ltd., which had been more recently established in north and east Toronto.

The consolidated enterprise continues in operation with R. F. and W. G. Caulfield as the active executives. Caulfields has built a valuable goodwill among householders in Toronto, and it is understood that gross sales in 1930 will approach the $2,000,000 mark, which represents an increase over 1929, and which is evidence that the company is one of the largest dairies serving the city.

With distributing facilities in the east, west and north end of the city, the company is in position to serve its clientèle economically. The plants are modern in every respect.

The original Caulfield business was established in 1888 with one cow and a few cans and deliveries were made on foot. Growth was steady and in 1914, S. Caulfield & Sons was incorporated. The elder Caulfield retired in 1926, the business being continued as at present by R. F. and W. G. Caulfield as the principal executives.

In 1929, when the company became a part of the Borden organization, the company operated 100 routes with wagons and used 30 trucks in its business. There has been further growth.

Of Course, Native Canadians Included Among Executives Of Borden Company in U.S.

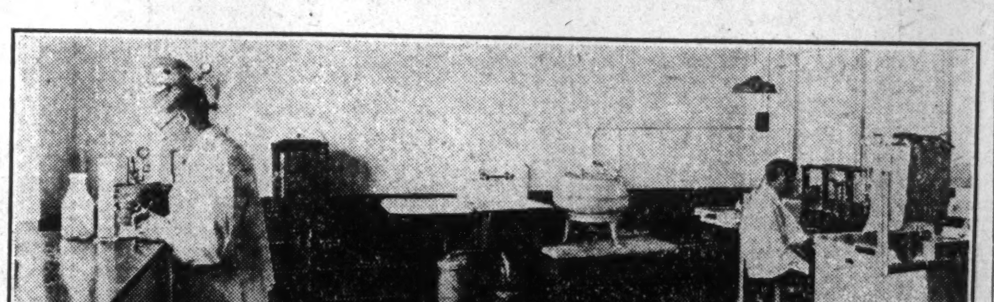
A few years ago someone who noted the birthplaces of the notables catalogued in "Who's Who in America," announced that, in proportion to the number of persons of Canadian birth in the United States, there were more native Canadians than native Americans in that compendium.

The Borden Company is no exception. Just how many natives of this country there are in this organization spreading from Maine to California cannot be learned off hand, since the employment records, even if they were filed centrally, probably would not give the information. But there are at least two natives of Canada occupying important positions in the Borden organization in the United States. One is Dr. H. E. VanNorman, head of the bureau of research in New York, and another is Dr. F. D. Walmsley, president of the Borden Farm Products Co. of Illinois, which is the second largest of the Borden fluid-milk companies. Dr. Walmsley was born at Deseronto, Ont.

Modern Ice Cream is of Consistent Quality

This is a typical installation of horizontal ice cream freezers, such as are included in the several Borden plants in Canada. This battery is at Ottawa.

Ottawa Dairy Proud of Its Fine Laboratory



This is a view of the laboratory of the Ottawa Dairy, where daily tests are made of every shipment of milk received by the company for distribution to its customers.

Ottawa Dairy Covers Whole Capital Area

Wagons Deliver on Every Street in Hull and Suburbs Also

ICE CREAM TRADE LARGE

Territory is Wide in This Department—Cornwall Dairy Products is Subsidiary Company

The largest dairy in Ottawa and one of the most important in Canada is Ottawa Dairy, Ltd., a Borden subsidiary since January 1, 1928.

This company has a distributing wagon on every street in Ottawa and Hull—and suburbs—every morning the year round. It sells cream, milk, ice cream and butter. For thirty years Ottawa Dairy has been serving the capital community of Canada. The company was locally owned with some 800 shareholders before becoming affiliated with the Borden Canadian group, and as the sale to Borden's was negotiated on a basis of exchange of stock there are many Borden shareholders in the capital city of Canada.

Employs 300 Persons

The company employs some 300 people in Ottawa. It has a large and thoroughly modern plant on Somerset Street, which was rebuilt and completely re-equipped a few years ago. Besides the dairy stands the ice cream plant, also rebuilt and re-equipped, and capable of turning out under full pressure 15,000 gallons of ice cream in 24 hours. The plant is fire-proof in both units.

With the 80 milk wagons and more than a score of ice cream wagons the company has over a hundred vehicles serving the people of the two cities.

The ice cream is sold over a territory stretching for 150 miles from Ottawa in different directions. As far as North Bay in the north, as far as Napanee and Belleville in the west, and as far as the suburbs of Montreal in the east the company distributes its ice cream.

Owns Model Farm

A famous feature of Ottawa Dairy is its model dairy farm at City View, six miles from Parliament Hill. Here 300 head of Ayrshire cattle are housed in modern stables, the whole ensemble providing a proving ground and an educational force in dairy farming in the valley. This 900 acre establishment also provides the company with its nursery milk which sells at a premium price and is purchased in homes where there are babies, invalids or others requiring an especially rich certified product.

There are hundreds of farmers shipping milk to Ottawa Dairy in addition to those who supply cream only.

Complete technical control of quality of the milk supplied by Ottawa Dairy is assured through a laboratory recently re-equipped. Bacteriological analyses and chemical analyses for fat content, etc., are continuously conducted.

Controls Cornwall Dairy Products

Ottawa Dairy is the parent company of Cornwall Dairy Products, which carries on a similar business in the town of Cornwall, Ontario on the St. Lawrence River. But besides conducting a retail milk business, Cornwall Dairy Products manufactures condensed and powdered milk as well as cheese. It has about 80 employees.

Hugh Carson is president of Ottawa Dairy, while W. F. Jones is general manager of that company and also of Cornwall Dairy Products.

First Condensary In All of Canada Was at Truro, N.S.

Company Began to Manufacture Condensed Milk Before C. P. R. Built

One of the companies comprising The Borden Co., Ltd., possesses the distinction of being the first concern to manufacture condensed milk in Canada. This is the Truro Condensed Milk & Canning Co., which started operations in 1883.

At that time there was no railway through Western Canada to the Pacific Coast. Dairies were few and far between, and there was a good market for condensed milk or the "tin cow," as it was called in pioneer days.

In this growing western market the Truro company found a ready outlet for its production. Shipments had to be made via railroads in the United States to the nearest point in Western Canada or to the Pacific coast, and thence on by boat to Vancouver.

Railways Opened Market

During the building of the Canadian Pacific Railway a further market was opened up and canned milk was extensively used by contractors. The commodity, in fact, became synonymous with pioneering activities.

When gold was discovered in the Klondike a tremendous market for preserved milk was opened up and thousands of empty cans marked the trail of the gold rush. The capacity of the plant in Truro was over-taxed.

In 1898 the factory was burned but was at once rebuilt and in operation again the same year. Demand for goods increased and another plant was built at Huntingdon which came into operation in 1903.

At this time Borden's were seeking further plants to enable them to keep up with the increasing demand for their product. Accordingly, in 1912, the old Truro Condensed Milk Co. sold out to The Borden Co., Ltd., The present factory in Truro is on the site of the pioneer condensed milk plant of Canada.

Dairymen Come to Toronto To See Last Word in Plants

Toronto was the scene of the 1929 convention of the two International Associations of Milk Dealers and Ice Cream Manufacturers, which convention was held from October 21 to 26. There was an exhibition of dairy equipment at the Coliseum and the meetings were held at the Royal York and King Edward hotels.

The October issue of the Milk Plant Monthly, a principal organ in the trade, featured Toronto and the convention programme. The issue was filled with advertisements of equipment that was to be exhibited at the show and it was noteworthy that, in many instances, persons interested were told that the latest equipment could be seen in actual operation at the plant of City Dairy.

HAMILTON, BORDER AREA AND NIAGARA FALLS BENEFITED BY BORDEN'S

Hamilton Served By Pure Milk Co. Over Long Span

Present Executive Head Founded Company Back in 1902

SELLS IN SUBURBS ALSO

Personnel Not Changed by Change in Ownership—Company Ice Cream Trade is Important Operation

Twenty-eight years ago the Pure Milk Company started business in Hamilton, Ont., with 12 delivery routes and a capacity of about 400 gallons a day. Today under the same management and with 30 per cent of its original employees still on the payroll of the company, it operates 60 routes and has a turnover of over 4,000 gallons every day.

W. H. Forster, who founded the company in 1902 is still president and general manager, and under his guidance the company has grown steadily with the development o. Hamilton until today it shares with Hamilton Dairies the milk leadership in this important manufacturing city.

In addition to a large and up-to-date plant at Hamilton, the company operates two supply stations, one at Silverdale, near Welland, which handles only butter, and the other at Renton (between Jarvis and Simcoe) which handles both milk and cream and acts as a reserve source of supply in case of anything untoward happening at the main Hamilton plant.

Serves Outlying Districts

In addition to serving Hamilton proper, Pure Milk Co. supplies milk to the village of Stoney Creek and to customers along the Niagara highway as far as Winona, while its familiar "P.M.C" trademark is seen along the Toronto-Hamilton highway as far as Burlington and along the Hamilton Beach road.

The company prides itself on the high type of service it has always rendered to its customers, and has for many years maintained its own staff of country inspectors who visit the sources of milk supply regularly to ensure that everything is maintained at the highest possible point of cleanliness. The company also maintains a special delivery service which operates at all times to serve the needs of customers who run short of milk or who need extra supplies.

Has Own Laboratory

Also the company operates its own laboratory at its Hamilton plant, which makes continual tests and analyses of the raw materials as they come in from the various farms, and also of the company's products. The four products of the company are milk, cream, butter and ice cream.

Incidentally the company is rather proud of the fact that when an official of an American concern came to Hamilton a short time ago to make an independent check-up of the firms selling ice cream in the city, Pure Milk Company's ice cream ranked ahead of all brands being sold by dairy concerns in Hamilton.

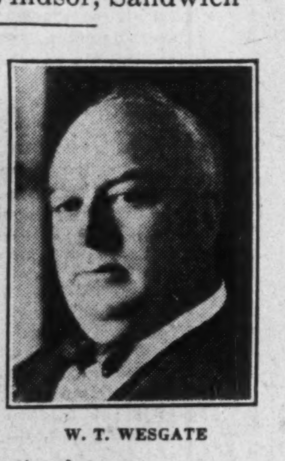
Management Still the Same

Since its formation, 28 years ago, no changes either of management or control have ever taken place until the advent of the Borden Company in February of this year. And even though stock is owned by Bordens, there have been no changes since this company stepped into the picture, with the exception of the addition of two of the Borden Company's representatives on the board of directors. This board is composed of three Canadians and two Borden representatives as follows: W. H. Forster, pres. and general manager; Charles K. Milne and W. A. Spratt, all of Hamilton; and H. A. Cronk and P. D. Fox, of New York.

According to Mr. Forster, 90 per cent of the company's business is still done by horse delivery, since he considers this by far the most economical method except where the route is either scattered or else a considerable distance from the company's plant. For its suburban customers, the company uses small one-ton trucks for delivery.

Wesgate Ice Cream Growing Business, Serves Border Area

Has Seventeen Years History of Expansion in Windsor, Walkerville, East Windsor, Sandwich



W. T. WESGATE

Wesgate Ice Cream, Ltd. was established seventeen years ago by William T. Wesgate, and for some years, the plant and head office of the company have been first in Ford, (now the city of East Windsor). A large proportion of the business of this company is in the Border Cities, where the quality and service of Wesgate's are well known and appreciated.

Mr. Wesgate served for a number of years on the school board of Windsor, and for several years as an alderman in the City of Windsor.

Windsor City Dairy Successful History Over Sixteen Years

Company Owns New Plant, One of Finest in Dairy Industry in Western Ontario

This company was founded by the present president and general manager, F. D. Honor, about eighteen years ago.

Under aggressive sales and service policies the Windsor City Dairy has grown from a small beginning to one of the most important milk companies in the Border Cities.

A little over a year ago, a new plant was erected, adjacent to the old premises on Park Street, Windsor, so that today the plant and equipment of Windsor City Dairy Limited are among the finest in Western Ontario.

Some of Richest Dairy Districts Supply Borden Plants

This map shows milk plants in Southwestern and in Eastern Ontario, as well as the cities in which the Borden company's subsidiaries operate. The plant at Huntingdon, Que., is that of the Baumert Co., Ltd. Ottawa, Montreal, Toronto and the Border Cities are the locations of the milk-distributing companies, while sales offices of Canadian Milk Products, Ltd., are maintained in principal cities. Plants not shown on this map are at Truro, N.S., and South Sumas, B.C., while Halls Ltd. operates a plant at Winnipeg.

Dairy Companies Proud of Quality of Horses

Dairy companies are among the largest buyers of horses for delivery purposes and several of the companies are highly successful in winning prizes at the Canadian National Exhibition, Royal Winter Fair, and other important shows. The horse shown in this illustration is owned by Pure Milk Co., Hamilton, Ont., and won highest honors in its class at the Spring Horse Show of the Wentworth County Hunt Club.

Walkerside Dairy Is Notable Among Border Enterprises

Leadership Through Years Brings Company to Outstanding Position in Its Field

Walkerside Dairy Ltd. has been established for over twenty-five years. Founded by the Walker family, well-known distillers of three generations and from a small farm, has grown to the largest milk and ice cream distributors in the Border Municipalities (Comprising Sandwich, Windsor, Walkerville, East Windsor and Riverside).

It has ice cream distributing branches in London, Chatham, Sarnia and St. Thomas. The main offices and plants are in Walkerville with a milk distributing depot in Sandwich, Ont.

At one time, only milk produced on the Walker Farms was sold by the Walkerside Dairy. Notwithstanding the fact that the Walker Farms have a herd of 650 head of fully accredited cattle, the business has grown so great that five times as much milk as is produced on the Walker Farms is bought from selected farms in Essex County.

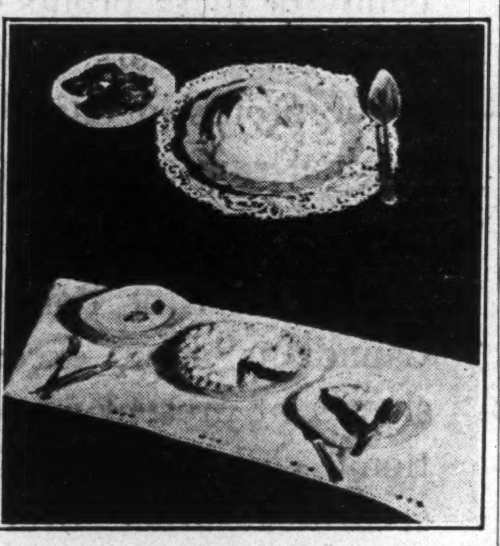
Farm Totals 2,600 Acres

The Walker Farm is in Essex County a little more than three miles from Walkerville. The farm is approximately 2,600 acres and the produce is practically all used to feed their cattle. The principal function of this immense farm is the production of milk.

These cows are kept under ideal conditions and every year, thousands visit this model dairy farm as an education in the industry.

In 1920, Walkerside Dairy entered the ice cream field and from a very small beginning has grown to one of the largest ice cream distributors in Western Ontario. Walkerside was the first with 100 per cent electric refrigeration for keeping ice cream, in this district. It was the first with special ice cream creations, was first with clarified milk and was largely responsible for developing Essex County as a milk producing county. The company was also foremost in getting passed the pasteurization by-laws in the border municipalities.

Recipes in Final Test



Here are two views of desserts made from Borden recipes in the model kitchen of The Chatelaine Institute, which is maintained by The Chatelaine, the womans magazine published by The MacLean Publishing Company Limited.

Border Dairies Continue Service To Community

The Borden Company through its ownership of four companies in the dairy and ice cream business in the Border Cities area is an important factor in the dairy trade in that district. These four companies joined the Borden family as of April 4, 1930.

All four of the companies—Walkerside, Windsor City, Ballantyne and Wesgate Ice Cream—have long and favorable histories and their acquisition by the Borden Company is an assurance that the high standards of the industry will be maintained in that area as well as in other communities in which the traditional Borden policies are adhered to.

Elsewhere on this page are brief descriptions of these properties which, as in every other instance of Borden purchase, still are managed by the men responsible for their original success.

Ballantyne Dairies Is Major Distributor In Border Community

Success Dates Back Sixteen Years Under Present President and General Manager

Ballantyne Dairies Limited were established sixteen years ago in the City of Windsor by G. W. Ballantyne, president and general manager of the company today.

This company has grown to be one of the major milk distributing companies of the Border Cities. They have co-operated in every move for the betterment of the milk industry generally and particularly in improving conditions in the Border Cities.

HALL'S LTD. IN PRODUCE GROUP

Hall's Ltd., which for sales purposes is affiliated with Canadian Milk Products, Ltd., is the only Canadian company so far in the produce group of Borden companies.

Direct Three Border Cities Dairies

F. D. HONOR

G. W. BALLANTYNE

W. L. KNOWLES

Mr. Honor is president of Windsor City Dairy, Ltd.; Mr. Ballantyne is head of Ballantyne Dairies, Ltd.; and Mr. Knowles is vice-president and general manager of Walkerside Dairy, Ltd.

Hamilton Dairies Result of Merger Of Seven Firms

Recent Borden Acquisition Has Made Much Progress Since 1926

COVERS GROWING TERRITORY

Group Insurance Carried for Employees, While Drivers Have Time Off With Pay in Accordance With Own Plan

D. C. Flatt started in the milk business in Hamilton about twenty years ago, under the name of Hamilton Dairy, Limited. For fourteen years he built up the business steadily year by year, and then in 1926 he and his associates sensed an opportunity to expand in a big way through the acquisition of a number of smaller companies operating over the same routes and in the same area as the wagons of his own concern.

So in 1926, a new company called Hamilton Dairies, Ltd., was formed to amalgamate the original company with five other concerns, and $750,000 of preferred stock were sold to the public in order to finance the deal which brought together companies with total assets of over $1,250,000. The other firms acquired were: the Wentworth Dairy Co.; Cloverleaf Creamery Ltd.; Bonnie Bank Dairy; Hamilton Ice Cream Ltd.; and Caledonia Dairy Ltd. A few months later still another company called Selkirk Creamery Co. was acquired.

So successful was the project that last year when The Borden Company officials sought to acquire a business in Hamilton they chose Hamilton Dairies along with Pure Milk Company, and made attractive offers of purchase which were accepted by the shareholders of both companies.

Sales Increase Steadily

In line with the accepted practice of The Borden Company, there have been virtually no changes since control was acquired in April of this year. At the present time the company is operating about 65 milk routes which makes it the largest individual company in Hamilton, and in spite of very keen competition, and according to John I. Flatt, president and general manager, the company is serving more customers today than ever before in its history. As a matter of fact the actual net gain in customers for the company during recent weeks has been on the average about 25 new customers a week.

Then, too, since the merger was effected in 1926, the company has substantially reduced operating expenses and has closed three of the plants acquired at that time. Today the company distributes its entire retail milk business from the head office plant on Vine Street, Hamilton, while at another plant it carries on its ice cream and wholesale butter business. The company also has three receiving stations, one at Caledonia, one at Jarvis and the other at Selkirk. At Caledonia the company also operates a powdered milk plant, while casein is manufactured at Jarvis.

17,000 Quarts a Day

The company's daily milk distribution amounts to about 17,000 quarts, while 10,000 pounds of butter are manufactured every day. The number of ice cream shops served by the company has increased 26 per cent this year.

Officials of the company are exceedingly pleased at the way in which the employees representation plan inaugurated since the entry of Borden interests, is working out. Under this scheme a committee of six men, three of whom are officials and three employees, handle all matters arising in regard to working conditions, holidays, and so forth. Just within the past few weeks a new scheme has been inaugurated which has met with enthusiastic response on the part of both employers and employees.

One Day in Seven

This new scheme gives each driver a full day's holiday with pay, for every seven days of work. Formerly drivers were given two days holiday a month, but the new scheme was suggested by the men themselves and already beneficial results are reported. Furthermore the company now carries group life insurance for every employee of the company, the entire premium cost being paid by the company.

Hamilton Dairies is proud of the fact that all its key men have served fifteen years or more with the company. For instance, W. E. Smith, superintendent of the milk department has 16 years service to his credit; M. D. Warner, the ice cream and butter man has a 20 year record; L. Marshall, superintendent of the Jarvis plant has 15 years, and H. E. Warner, superintendent at Caledonia is another 20-year man. The present personnel of the company's directorate is as follows: John I. Flatt, president and general manager; D. C. Flatt (founder of the company); and F. C. Biggs, all of Hamilton; D. Z. Gibson, Caledonia, and P.D. Fox, New York.

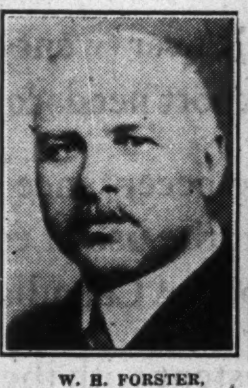
HAS PAID 82 DIVIDENDS

The latest dividend on the Borden Company stock was the eighty-second consecutive payment.

C. M. P. SALES OFFICES

Canadian Milk Products Ltd. maintains sales offices at Saint John, N.B., Montreal, Toronto, Winnipeg and Vancouver.

Executives in Hamilton



W. H. FORSTER, president and general manager, Pure Milk Co.

J. I. FLATT, president and general manager, Hamilton Dairies.

Borden Co. Makes Half Dozen Brands In Four Factories

Reindeer Coffee and Milk Are Two Brands Exclusive to This Country

Borden Co., Ltd., operating four canned milk factories in Canada, manufactures six different products. Of these, two are manufactured and sold exclusively in Canada. These two are Reindeer sweetened condensed milk and Reindeer condensed coffee, two products which have survived the passage of nearly 50 years.

These Reindeer brands were originally manufactured by the Truro Condensed Milk Co., which was acquired by Borden's in 1912. Distribution of Reindeer products is largely confined to the Maritime provinces and British Columbia; the market for this brand in these districts, nevertheless, has been well maintained.

Makes Four Sweetened Brands

Altogether there are four brands of sweetened condensed milk manufactured in Canadian factories. These four brands comprise Borden's Eagle, Reindeer, Silver Cow and Purity brands.

In addition to these, the St. Charles unsweetened evaporated milk and the Reindeer Condensed Coffee is made and sold in Canada. Of all these, however, the Reindeer products are the only ones which are manufactured exclusively in Canada.

The condensed milk products of The Borden Co., Ltd., are manufactured at four factories. The factories are at Ingersoll, Norwich, Truro and South Sumas. This is how production is allotted. The Ingersoll and South Sumas plants confine their output to St. Charles Brand evaporated milk. Norwich makes the four brands of sweetened condensed milk only. At Truro, however, all six products are manufactured; condensed, evaporated, and moreover, Reindeer condensed coffee.

Once Had Six Plants

At one time The Borden Co., Ltd., had six canning factories in operation. In addition to the four presently active there was a plant at Huntingdon, P.Q., and one at Tillsonburg, Ont. The Huntingdon plant was sold to the Baumert Cheese Co. some years ago. Subsequently the Baumert Cheese Co. was acquired by Borden's. Accordingly, the Huntingdon plant has once again come under the aegis of Borden Co., but its output is now confined to cheese.

Tillsonburg was once the model plant of The Borden Co., Ltd. This plant was opened in 1908, and its equipment represented a definitely forward step in the manufacture of condensed milk. The plant, however, is now operated by Canadian Milk Products, and is not used for the manufacture of condensed milk, although it is still in the Borden chain.

During the war, from 1914 to 1919, Borden plants manufacturing condensed milk worked at capacity. Monthly orders averaged from 25,000 to 50,000 cases and the productive capacity of all units was taxed to the utmost.

Pie from Borden Products

Here is a view of a pie being removed from the oven in the kitchen of the Chatelaine Institute in Toronto. Everything but the crust was made from a Borden recipe. The Borden Company publishes many books of recipes for pies, cakes and desserts which can be made with Borden milk products.

Cairns Creameries At Niagara Falls Growing Rapidly

Former Department of Wholesale Grocery Now Separate Company

DISTRICT IS THRIVING

New Plant Ranks as One of Many Fine Buildings on Canadian Side of Cataract

Cairns Creameries at Niagara Falls, which entered the Borden family this year, is a business that has become highly successful in its territory in a little less than ten years and, needless to say, the present management is the same as that which built it. The story, breathing of romance, is told in "Dairy Produce," a trade newspaper published in Chicago.

Fred M. Cairns is still a young man and it is only about eleven years since he got a job in a wholesale grocery business. In less than a year he left his job to become a wholesale grocer. He was expected to last three months. He is still at it as the Niagara Trading Corp., and, in addition, is president and general manager of the creamery business which grew as a department of the wholesale grocery.

Dairy Business Grew Gradually

Telling of this somewhat unusual departure, Mr. Cairns is quoted as saying:

"After our wholesale grocery business was well established we saw the opportunity of serving many of our grocery customers with ice cream. We entered into the ice cream business on a small scale and grew into it gradually. The wholesale grocery business, of course, has been greatly curtailed by the rapid expansion of the chains. There are, however, many concerns not influenced by the chains. We sell most of our products to restaurants, hotels, roadhouses, roadside stands, drug stores, fountains and some independent grocers. Many retailers preferred to buy as many of their products as possible from one concern, so our wholesale grocery business gave us a nice introduction on ice cream and milk. Our grocery, ice cream and milk sales are handled in separate departments.

"When we started to make ice cream a few years ago, we purchased milk from milk dealers. We did this until we were confident that the ice cream business would be a profitable venture for us. Now all of our raw material is secured direct from producers within 25 miles of Niagara Falls."

First Company in 1927

Cairns Creameries Ltd., Niagara Falls was incorporated in 1927 to acquire the grocery business of W. J. Cairns & Son, and the ice cream and dairy business of Fred M. Cairns Co., Ltd.

The new company erected a building located at the centre of the city of Niagara Falls, to house a modern dairy and create sufficient space for public cold storage and grocery warehouse. This business was successfully carried on with the result that the company's sales increased to such proportions that outside interests operating in Canada became interested in the dairy industry of the Niagara District, and negotiated to purchase the ice cream and dairy division on July 1, whereby Cairns Creameries Ltd. shareholders agreed to accept one share of Borden's stock in exchange for one share of Cairns Creameries Ltd. preferred stock.

The Cairns Creameries Ltd. was reorganized to carry on an ice cream and dairy business in the city of Niagara Falls and will be the headquarters for the activities of The Borden Company in the Niagara district.

Expansion is Planned

The officers of the newly formed company are Fred M. Cairns, president and general manager; W. P. Marsh, secretary-treasurer; John I. Flatt, director; E. B. Lewis, director.

The Borden Company will spend several thousands of dollars on the buildings and grounds at Magdalene and Ellen Street. It will also build a modern garage and stable to house the trucks, wagons and horses used in the delivery service. When this plant is completed it will be one of the many beautiful buildings in the city of Niagara Falls and will serve citizens of the district with dairy products of the highest quality. The company will at all times co-operate with the board of health and other dairies in the city to maintain the highest standard of conditions under which milk and cream is purchased and served.

Borden Enterprises Broaden in Canada

Following is a list of the Borden enterprises in Canada:

Borden Co., Ltd., head office, Montreal, operating in Canada and Newfoundland, with factories at Ingersoll and Norwich, Ont.; at Truro, N.S., and South Sumas, B.C., and Trenton, Ont.

Canadian Milk Products, Ltd., a subsidiary of the Merrell-Soule Co., Inc., acquired by the Borden Co. in 1928. Factories are at Tillsonburg, Belmont, Burford and Russell, Ont.

Baumert Co., Ltd., manufacturers of cheese, with a factory at Huntingdon, Que.

In Montreal and Ottawa

Moyneur Co-operative Creamery, Ottawa.

Borden's Farm Products Co., Ltd., operating in Montreal and suburbs.

Ottawa Dairy, Ltd., Ottawa and Cornwall Dairy Products, Limited, Cornwall, marketing fluid milk and ice cream.

Laurentian Dairy Limited, Ottawa, marketing fluid milk, especially "homogenized" milk.

Cairns Creameries, Ltd., Niagara Falls, Ont.

Chateau Cheese Co., Ottawa.

J. J. Joubert, Ltée, Montreal, marketing fluid milk, etc.

Pure Milk Co., Hamilton Dairies, Ltd., Hamilton, Ont., marketing fluid milk and ice cream.

Walkerside Dairy, Windsor City Dairy and Ballantyne Dairies, Ltd., operating in Windsor and the Border Cities area.

Wesgate Ice Cream Co., operating in Windsor and the Border Cities area.

Two Companies in Toronto

Caulfield's Dairy, operating in Toronto and suburbs.

City Dairy Co., Toronto, the largest fluid milk unit serving the metroplitan area of Toronto. This company does an ice-cream business throughout a large part of Ontario, serving this territory from Toronto, and is a national enterprise in so far as concerns its subsidiary, Drimilk Co., Ltd., which sells milk powder throughout the country. The company operates plants at these places in Ontario: Courtland, Listowel, Simcoe, Staffordville, Villa Nova, and Princeton. City Dairy Farms, Ltd., is another wholly-owned subsidiary, with 740 acres at New Lowell, Ont.

Halls, Ltd., eggs, poultry, etc., Toronto and Winnipeg.

Broadening a Canadian Service 20 Years Old

FOR over twenty years The Borden Company has operated in Canada, meeting Canadian and export needs for milk products of purity and uniform quality.

Public acceptance of Borden products has resulted in a steady expansion program, which has meant the use of constantly increasing capital in Canada and the employment of an increasing number of Canadian citizens.

Consistent with the company's policy, expansion plans have invariably maintained the executive and operating personnel of Canadian organizations acquired.

As evidence of The Borden Company's contribution to Canada's economic development, its net tangible assets employed in Canada are approximately $16,000,000. The Company's total investment in Canada, computed at the current value of its securities, exceeds $30,000,000.

Since the beginning of its major expansion program in Canada six and one-half years ago, only 3½% of the net profits realized have been withdrawn from Canada, and not a penny of these profits during the last four and one-half years. A very large percentage of the profits in Canada, together with the original capital employed, remain invested in Canada.

The number of Borden shares issued to Canadians now exceeds 300,000. These shares, at present market prices plus additional cash payments, represent cash and securities turned over to the Canadians, valued in excess of $23,000,000.

This value of these Canadian stock holdings represents about 150% of the value of all of the approximately $16,000,000 of net tangible assets employed by the Borden Company in Canada.

Canadians own approximately 7½% of the entire outstanding stock of The Borden Company—a substantial Canadian investment in a large and growing business, international in scope, having to do with a basic product.

The formation of a Canadian corporation which will hold in its treasury all of the stock of all the Borden Canadian operating corporations will shortly be achieved.

The large investments and record of The Borden Company in Canada are indicative of its belief in the future of the Dominion, and may be accepted as the best evidence of its intention to develop Canadian operations to the utmost and in a manner advantageous to Canada.

THE BORDEN COMPANY